Daily Report

Latin America

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Cuba

UNGA Agenda Includes U.S. Embargo Debate

FL1809212491 Havana Radio Reloj Network in Spanish 1955 GMT 18 Sep 91

[Text] Today, Cuba defeated U.S. attempts to prevent the UN General Assembly from discussing the end of the U.S. economic, commercial, and financial embargo against Cuba. During a meeting held this morning, the organizing committee recommended that the issue requested by Cuba be included on the agenda of the General Assembly's 46th period of sessions.

Havana Defeats Washington on UN Embargo Debate

FL1909131191 Havana Radio Rebelde Network in Spanish 0900 GMT 19 Sep 91

[Text] PRENSA LATINA has reported that the organizing committee of the UN General Assembly has recommended that the U.S. economic blockade of Cuba be debated during this session, as Cuba has requested. In this way Cuba has defeated Washington's efforts to prevent the discussion of this issue in the United Nations

The Cuban petition emphasizes that the purpose of the 30-year blockade is to impose on Cuba the will of the United States through coercion and force. Cuban UN Ambassador Ricardo Alarcon has demanded that because of this, and the clear violation of the principles of nonintervention and sovereign equality by the United States, this U.S. policy should be rejected by the General Assembly.

Washington's representative to the United Nations could not give any reasons why the subject of the blockade should be excluded from the agenda even though he called Alarcon's accusations subjective.

Havana Cites Foreign Solidarity Against Blockade

FL1909121091 Havana Tele Rebelde Network in Spanish 1100 GMT 19 Sep 91

[Text] The Bolivian Chamber of Deputies has asked Bolivia's Foreign Minister Carlos Iturralde to condemn the U.S. blockade against Cuba during his upcoming participation in the UN General Assembly. The decision, which asks Iturralde to demand at the UN Assembly an immediate end to the blockade against Cuba, was quickly approved by a great majority.

In Madrid, Marcelino Camacho, president of the Puntero Workers Union of Spain, pointed out that all Spaniards have aligned themselves in an outstanding movement of solidarity against the U.S. blockade and in respectful support of Cuban sovereignty.

Likewise, the Venezuelan newspaper LA ULTIMA HORA has characterized the blockade against Cuba as a barbarian act.

U.S. Blockade Said To Increase Foreign Debt

PA1909012391 Madrid EFE in Spanish 2056 GMT 18 Sep 91

[Text] Havana, 18 Sep (EFE)—The Cuban media reported today that the economic blockade that the United States has imposed on Cuba since 1961 has caused an increase of the island's debt to Western countries. The island's debt to Western countries is estimated at $7 billion.

According to the Cuban international press agency PRENSA LATINA, Cuba's foreign debt could be $1.682 billion less if it were not for the severe U.S. economic blockade.

Since 1979 up to last year, the dollar's depreciation has resulted in large losses for the Cuban economy that could be prevented "if the country could pay its debts in U.S. dollars," the commentary said. PRENSA LATINA expressed its regret that Cuba cannot use the dollar or obtain credits with that currency. This increases the interest payments for credits obtained with other currencies such as the Spanish peso, Japanese yen, German mark, Canadian dollar, or French franc.

The agency cited a study conducted by the National Bank of Cuba according to which Cuba's debt with market economy countries increased $1.839 billion in direct relation to a 28.85 percent depreciation of the dollar.

PRENSA LATINA added that the period between 1983 and the first quarter of this year was characterized by a sustained loss in the value of the dollar. This increased the value of the Cuban debt by $2,344.5 billion.

However, the report added, if Cuba could use the dollar without any restrictions, 80 percent of its debts would be valued in that currency.

Vice Minister on 'Intensification' of Embargo

FL1909011091 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 19 Sep 91

[Interview with Vice Foreign Minister Ramon Sanchez Parodi by Elizabeth Noriega in Havana, date not given—recorded]

[Text] [Noriega] What specific events are there that concern this intensification of the U.S. policy of embargo against Cuba?

[Sanchez] Well, we can see how right now the United States is trying by every means not only to prevent Cuba from being able to carry out and develop its economic activities and its economic and trade relations freely, but also demanding and insisting that other countries join in that U.S. policy of embargo against Cuba.

We can see this clearly now regarding relations between the United States and the Soviet Union, for example,

when they have even conditioned any kind of development of the relations between those powers on the Soviet Union's joining in the policy of embargo against Cuba.

So the United States does not act only with regard to a trade preference or decision about who to trade with, but rather the United States also interferes and tries to greatly affect the trade relations Cuba has with third countries, and not only directly with respect to Cuba.

Venezuela To Continue Oil Agreement With USSR

PA1809154991 Mexico City NOTIMEX in Spanish 0001 GMT 18 Sep 91

[Text] Havana, 17 Sep (NOTIMEX)—On 17 September Venezuelan Foreign Minister Armando Duran reported that Venezuela will continue sending petroleum to Cuba until the Soviet Union decides to suspend its agreement with that country.

Duran explained during a news conference that Venezuela sends Cuba 60,000 barrels of petroleum every day under a trilateral agreement with the Soviet Union.

He added that the continuation of these deliveries will depend on the "continuation of the agreements between Cuba and the USSR" and he stressed that there have been no changes up to now.

The Venezuelan foreign minister ended his two-day visit to Cuba on 17 September. During his visit he met with President Fidel Castro and Cuban Foreign Ministry officials.

During the news conference, Duran said his visit was part of a consultation mechanism agreed upon by the two governments in Caracas last year.

He announced that an agreement signed on 17 September determined that Caracas and Havana would trade pharmaceutical and biotechnical products and also included the exploitation of phosphates deposits in Venezuela with Cuban technology.

The foreign minister also reported the formation of a mixed economic cooperation commission that is to meet during the first trimester of next year.

The Venezuelan foreign minister denied that the subject of petroleum had been broached during his visit and he expressed satisfaction with his conversation with Castro, with whom "I talked about matters pertaining to the international field" and the changes in the world.

Duran pointed out that the government of his country does not have any knowledge that Cuba is requesting to be included in the San Jose Pact that benefits the Central American and Caribbean countries.

He clarified that the San Jose Pact does not mean "a petroleum gift or price reduction." It simply is, he said, a sale of petroleum at market prices but under preferential conditions.

The Venezuelan delegation, which returns to its country on 17 September, included the legislators Pompeyo Marquez of the Movement Toward Socialism (MAS) and Alfredo Tarre of the Social Christian Party.

MAS Senator Pompeyo Marquez asked for the withdrawal of U.S. troops from Guantanamo and the lifting of the economic blockade against Cuba.

"The Guantanamo Naval Base and the economic blockade are two anachronisms that must disappear from international relations," he said.

Social Christian Deputy Alfredo Tarre pointed out that upon his return to Venezuela he will request a meeting between both chambers of congress to analyze the withdrawal of U.S. troops from Guantanamo and an end to the economic blockade to Cuba.

The Venezuelan delegation that visited Cuba expressed their satisfaction with the two days of discussions held with Cuban government officials.

Commentary on Duran Visit

PA1909150391 Havana Radio Havana Cuba in Spanish 0000 GMT 19 Sep 91

[Roberto Morejon commentary]

[Text] The visit to Cuba by Venezuelan Foreign Minister Armando Duran, who assumed his post last April, allowed the representatives of both nations to get acquainted with each other and to get a better picture of the current situation in each country.

Duran carried out an extensive work schedule, which ended with important agreements in fields of economic cooperation, cultural exchanges, scientific-technical matters, and mechanisms of coordination in the fight against drug trafficking.

Duran's counterpart was Cuban Foreign Minister Isidoro Malmierca, who has visited Caracas on five occasions since 1985, which is a sign of the interest by Havana's authorities to tighten its ties with Latin America.

The Venezuelan foreign minister himself demanded a suspension of the harassment against Cuba and he called for its voluntary reinsertion into the Latin American community.

The official position of Venezuela in this regard has the support of important segments of society including the 14 friendship institutes, which encourage greater ties with the island.

This visit has taken place at a significant moment when the United States is increasing its blockade against the Caribbean island and is pressuring other countries to prevent or obstruct a dialogue with Cuba.

Venezuela, however, has preserved its trade relations with Cuba, proven by the fact that bilateral trade

amounted to $90 million in 1990 and the sides are willing to increase that figure, which is still modest, in areas such as tourism.

Venezuelan-Cuban trade has additional potential in the areas of phosphates, agriculture, health, transportation, chemical industry, mechanical industry, metallurgy, and biotechnology.

Venezuelan sectors and Cuban authorities have shown an interest in reaching cultural, sports, scientific-technical, and education agreements. As for the latter case, universities from both countries have signed beneficial agreements in the last few months.

Meetings between delegations, such as the one that has just taken place in Havana, contribute to clearing up the Cuban situation because it enables Venezuelans to get first-hand information to counter the disinformation campaign carried out by the enemies of the revolution.

UJC Leader Meets With Chinese Delegation

FL1909010891 Havana Radio Reloj Network in Spanish 1954 GMT 18 Sep 91

[Text] A fraternal and friendly meeting was held at the headquarters of the Union of Young Communists [UJC] between Yang Rudai, a member of the Politburo of the Chinese Communist Party, and Roberto Robaina, the top leader of the UJC. Robaina explained to the Chinese leader about the UJC's work with Cuban youth. Rudai expressed interest in the results of the Cuban official's visit to his country. He also expressed interest in the Cuban economy.

The Chinese delegation later visited the University of Havana, where University President Armando Perez Perdomo informed them about the new study plans and the students' work program. Yang Rudai held extensive talks with fourth-year students at the university's law school.

Ross Gives Opening Speech at TANA Meeting

FL1909013791 Havana Radio Rebelde Network in Spanish 2304 GMT 18 Sep 91

[Text] Pedro Ross, secretary general of the Cuban Workers Federation, gave the opening speech at the second meeting of the Anti-Imperialist Tribunal of Our America [TANA], which will take place in our capital until 20 September. Ross, who is also an alternate member of the Politburo, said that in the current complex international circumstances, which are characterized by the aggressive imperialist policy and the dangerous consequences of a unipolar world, the TANA meeting is of great importance because of the contribution it will make to the cause of peace and social justice and in the anti-imperialist struggle.

During his speech, TANA International President Guillermo Torriello announced that TANA will award the Liberators and Heroes of Our America Medal to Pedro Albizu Campos. The medal will be given to Laura Albizu Meneses and Cansel Miranda as trustees for its safekeeping.

Delegations Arrive for Culture Ministers Meeting

FL1909012191 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 19 Sep 91

[Text] Throughout the day today various delegations from Latin American and Caribbean countries have continued to arrive in our country to participate in the fourth meeting of Latin American and Caribbean culture ministers and officials, which is being held at the Convention Center in Havana and will last until 21 September.

Among the officials visiting us are Mrs. Jennifer Johnson, the Trinidad and Tobago minister of youth, sports, and culture. Mrs. (Carol Lows), a Caricom [Caribbean Community] culture official, and Mr. (Marlen Bowens), the parliamentary secretary of the Jamaican Ministry of Education and Culture, arrived along with her.

Nicaragua, El Salvador, and Honduras will also be represented by their delegations, headed by their respective culture ministers. According to the words of the visitors for this news program, they expect this meeting in Havana to contribute to Latin American integration and bring our peoples closer together.

Castro Attends Symposium

FL1909151691 Havana Radio Rebelde Network in Spanish 1411 GMT 19 Sep 91

[Text] The opening ceremonies for the fourth symposium of culture ministers and officials responsible for cultural policies in Latin America and the Caribbean has just begun at the Palace of Conventions with our Commander in Chief Fidel Castro in attendance. Also attending, of course, are the culture ministers of the participating countries.

Today, the opening session began—I repeat—with our commander in chief in attendance. The first working session of this fourth meeting of culture ministers and officials responsible for cultural policies in Latin America and the Caribbean is slated for 1500 this afternoon.

The Latin American and Caribbean Fund for Culture and Arts will hold an important meeting. Also at 1830, the participants will move to the Plaza de Armas to be welcomed by the official historian of the City of Havana. They will also tour Habana Vieja.

So with the presence of our Commander in Chief Fidel Castro, the fourth symposium of culture ministers and officials responsible for cultural policies in Latin America and the Caribbean has begun in the Palace of Conventions.

Barbados

Sandiford Announces $58.1 Million IMF Loan

FL1809193091 Bridgetown CANA in English 1756 GMT 17 Sep 91

[Report by Reudon Eversley]

[Text] Bridgetown, Barbados, Sept. 17, CANA—Barbados is seeking U.S.58.1 million dollars in loans from the International Monetary Fund (IMF) in support of an 18-month economic adjustment programme, Prime Minister Erskine Sandiford said Tuesday.

Sandiford made the announcement in a supplementary budget address to Parliament in which he slashed government spending for the remainder of the current fiscal year by 114 million dollars (one Bds dollar = 50 U.S. cents) and imposed 62.6 million dollars in new taxes.

"No one can deny that Barbados is experiencing a serious economic crisis," Sandiford said in the hour-and-a-half presentation, delivered in his capacity as minister of finance and economic affairs. The supplementary measures are aimed at correcting fiscal and balance-of-payments deficits, the source of the present crisis which has sent the government to the IMF for assistance.

Sandiford said "a substantial measure of agreement" had already been reached with the IMF. He suggested a letter of intent would be signed shortly with the IMF, formally committing Barbados to the programme. Under the proposed agreement, Barbados will have access to two IMF credit facilities. U.S.28.4 million dollars will be made available under a stand-by arrangement, the main IMF instrument for assisting member countries overcome temporary balance-of-payments problems. The remaining U.S.29.7 million dollars will come from the IMF's compensatory and contingency financing facility, designed to ease balance-of-payments difficulties arising from an unexpected shortfall in export earnings.

U.S.41.1 million dollars of the total financing will be made available to Barbados upon approval of the programme by the IMF's board of directors. The remainder will be drawn down on a quarterly basis, based on the achievement of unspecified performance criteria.

Sandiford suggested the IMF programme should be in place by early October. Sandiford said government was seeking through the austerity package to send "very powerful messages" to the international capital markets that Barbados was dealing with its problems, and that they could lend in confidence to the island.

Barbados is due to repay a Japanese "bullet" loan in early October. In light of the scarcity of foreign exchange in the economy, observers here see the embrace of IMF measures as the only way of safeguarding the island's international credit-worthiness.

"This is a tough programme which will cause pain and suffering, but it is a necessary programme," Sandiford said, noting he had chosen the "least painful" of available alternatives. "It is a programme that can get the support of the IMF," he said.

Sandiford said while the proposed IMF programme would not contain a devaluation of the Barbados dollar, such a move could not be entirely ruled out if the policies being embarked upon failed to solve the external imbalances in the economy. In the present heated debate on the economy, most Barbadians appear to be against devaluation as a policy option.

Owen Arthur, the official opposition Barbados Labour Party's spokesman on finance, will give a response Wednesday to the Sandiford mini-budget.

Emphasizing a tight incomes policy and demand management measures, the IMF programme has four objectives: reducing government spending, increasing revenue, rebuilding the island's nearly depleted foreign reserves, and resusitating the poorly-performing productive sectors of tourism, agriculture, and manufacturing.

Within the framework of the IMF programme, Sandiford said the government was seeking support from the World Bank, the Inter-American Development Bank (IDB), the Caribbean Development Bank (CDB) and other multilateral lenders to introduce reforms aimed at correcting weaknesses in the productive sectors and restoring their competitiveness.

On the fiscal side, the stabilisation programme seeks to trim the 1991-92 deficit by 114 million dollars, pushing it down to one percent of Gross Domestic Product (GDP). The 1990-91 deficit was the equivalent of 6.5 percent of GDP. In the current year, the deficit was originally forecast to decline to 6.1 percent.

Deficit reduction is being achieved through a combination of spending cuts and increases in revenue. The cuts included 32.9 million dollars in public sector wages and salaries, 4.4 million dollars in spending on goods and services, 22.9 million dollars in transfers to state enterprises, 41.3 million dollars in capital spending, and 12.5 million dollars in capital transfers to statutory bodies.

Revenue measures included 20 million dollars in new consumption taxes, 12 million dollars to be earned through increased taxes on gasoline and other petroleum products, 11 million dollars from increases in stabilization tax, and 16 million dollars from reductions in import duty and stamp duty concessions to import substitution manufacturing industries.

In a move Sandiford said was aimed more at discouraging demand for luxury imports than raising revenue, a 20 percent special surcharge was imposed on motor cars, television sets, video cassette recorders, satellite dishes, cigarettes, and alcoholic drinks. The measure is expected

to yield two million dollars in revenue during the remainder of the current fiscal year ending next March 31.

Political Parties, Unions React to Budget

FL1809164291 Bridgetown CANA in English 1534 GMT 18 Sep 91

[Text] Bridgetown, Barbados, Sept 18, CANA—A mixture of groans, hope, and fear of worse greeted Prime Minister Erskine Sandiford's supplementary budget proposals, presented Tuesday to take the country into a U.S. 58 million dollars International Monetary Fund (IMF) programme. The package contained public sector spending cuts of 114 million dollars (one Bds dollar = 50 cents U.S.) for the remainder of the current fiscal year, and 62.6 million dollars in new taxes.

"What he has done will devastate working people in Barbados and will wipe out the gains made in recent years by.... all the middle-income earners by a savage onslaught on their savings," opposition leader Henry Forde said.

Opposition National Democratic Party (NDP) leader Richie Haynes said: "The measures are deliberately designed to contract the economy; deepen the recession; trigger bankruptcies and unprecedented levels of unemployment; and use this country to put the demands of creditors before the needs of Barbadians."

A number of public sector unions announced meetings for Wednesday and Thursday to consider the measures, and the Barbados Secondary Teachers' Union (BSTU) vowed legal action on the goverment's 8 per cent pay cut for public workers.

The mini-budget, in an adjustment programme to redress serious fiscal and balance of payments imbalances, focused on an 8 per cent public sector pay cut, release of 2,000 workers, increases in income and consumption taxes, and increases and levies on cigarettes, motor cars, motor cycles, and petroleum products, and reduction of concessions for non-export agriculture and manufacturing.

"Sandiford's budget, by worsening the position of the productive sectors, will create a nightmare both in relation to our balance of payment position and in relation to saving the jobs of Barbadians," Forde said in an initial reaction.

"In the end, we will be worse off after this budget than we were before," the opposition leader said.

"It is a budget of pain, without hope. Inaction and lack of vision have at one strike devalued the standard of living of every Barbadian child, woman, and man. We have been bludgeoned backwards as a people," he added.

Head of the Department of Government and Politics at the University of the West Indies, Dr. Neville Duncan, said the budgetary measures indicate a 25 per cent decline in general purchasing power, and possibly higher for public sector workers.

"It is quite a difficult budget to deal with. People are going to have to make all kinds of sacrifices and I don't know if they are able to do so with all the commitments they may have," he added. However, management Professor Stanley Reid described the austerity measures as a necessary step towards necessary structural adjustment and liberalisation in the economy.

In his statement Tuesday evening, NDP's Richie Haynes joined groups here which have called for the resignation or removal of the Erskine Sandiford government from office: "I am calling on all Barbadians to wake up, stand up, and defend this nation.

"They can only do so by taking their destiny in their hands and putting country before all else. This government must be removed from office, and the people can remove them by peaceful, non-violent, lawful action."

Haynes added that the budget was "essentially about raising taxes, sending people home, cutting their incomes, and exposing weak industries to international competition—all in conformity with IMF dogma."

Dominican Republic

TANA Supports UN Debate on U.S. Embargo

PA1809030091 Havana Radio Havana Cuba in Spanish 0100 GMT 17 Sep 91

[Statement by Attorney Ramon Antonio Vera of the Anti-Imperialist Tribunal of Our America, TANA, chapter in the Dominican Republic, date and place not given—recorded]

[Text] The Dominican Chapter of the Anti-Imperialist Tribunal of Our America [TANA] recently sent a message to UN General Secretary Javier Perez de Cuellar expressing this chapter's stance concerning the U.S. embargo against Cuba. In general terms, the document states the following: For over 30 years, the U.S. Government has engaged in an aggressive policy against Cuba, with the expressed purpose of imposing on Cuba the political, social, and economic structures that U.S. authorities deem more appropriate.

This policy has included direct military intervention, the threat of nuclear extermination, the sponsorship and implementation of countless acts of sabotage, and plans to assassinate Cuban leaders, all of which successive U.S. Administrations have officially acknowledged and which are documented in detail in the records of that country's Congress. Constituting an essential element of this policy is the economic, commercial, and financial embargo that the United States has imposed and enforced against Cuba for 30 years.

At present, this embargo is becoming tighter and expanding. The U.S. embargo has inflicted on Cuba material losses and has compelled it to make extraordinary efforts to change its economic relations, which were once entirely dependent on the U.S. market. That situation entailed an intense program to readjust the productive structure, consumption practices, and services to different types of technology, equipment, raw materials, and consumer goods from other countries, which were often obtained under pressing circumstances.

This entire situation has caused massive economic and social damage. Discriminatory measures against Cuba in financial terms, the ban on the use of U.S. dollars and access to U.S. banks, and the boycott imposed on international banking institutions constitute a major additional obstacle to Cuba's economic relations abroad, chiefly commercial relations, which has further limited the Cuban economy's chances of obtaining foreign loans.

During the current phase of international relations, during which nations are trying to restructure based on detente and cooperation, it becomes particularly unjust, anachronistic, and irrational to maintain, and even tighten, a policy against Cuba based on the most flagrant violation of the norms for coexistence among states contained in the UN Charter and different UN General Assembly resolutions. The U.S. Government is virtually the only country implementing a policy against Cuba. The vast majority of states that once joined the embargo have gradually changed their stance and now maintain normal relations with Cuba. The U.S. embargo on Cuba constitutes a flagrant violation of the principles of sovereign equality of states and nonintervention in their internal affairs, and a permanent source of tension, which is harmful to the normal development of international relations. The U.S. embargo against Cuba constitutes an open violation of fraternity among nations. Therefore, TANA's Dominican Chapter considers it prudent, necessary, genuine, and effective for the UN General Assembly to discuss the U.S. embargo against Cuba as a priority issue during its 46th session, so that all of the countries of the world can express their views on the matter.

Haiti

Aristide Comments on Negotiations With IMF

FL1709202491 Port-au-Prince Radio Metropole in French 1600 GMT 16 Sep 91

[Italicized passages in Creole]

[Text] Negotiations between Haiti and the IMF are being held honestly and with dignity, according to President Aristide, who addressed mass organizations on 13 September. To reassure the youth who had come to meet with him at the National Palace, the president stated in particular: We are negotiating in dignity and with honor. We are going to win these negotiations just as we won the 16 December elections. Let us listen:

[Begin recording] [words indistinct]*Here in 1990 an electoral code was designed. We formed a front to run the elections. When they [not further identified] realized that the game had become tough for them, they sent for Lafontant to become their trump card. When we realized that their game plan was to prevent us from participating in these elections, we were not frightened away, were we?*

[Audience] No!

[Aristide] Did we take part in their elections?

[Audience] No!

[Aristide] We participated in our elections. Did we lose or did we win?

[Audience] We won [applause].

[Aristide] The same game is now being played. Elections have always been a tool in the hands of powerful countries, in the hands of the traditional bourgeoisie. They have used this tool to control the masses in order to win their votes. That is why they would like to perpetuate the same system of exploitation that generates misery. [passage indistinct] It is almost the same situation with the IMF. Elections were a tool in the hands of others. For example, the U.S. Government, through its embassy, said that it would respect the results of the 16 December elections. It did.

The rules of the game have changed. The situation with the IMF is almost identical. The difference is that they are not here to give orders. They cannot give us orders. They can come to hold discussions with us and we will be willing to speak with them. They have recognized the good job we have been doing, and have said so. We are happy that they said so. They did not order us to do a good job. We are simply doing a good job. They recognize that, and will capitalize on it. In our negotiations with them, we continue doing a good job for best results.[end recording]

MRN Criticizes Aristide

FL1309225191 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 13 Sep 91

[Excerpts] A representive of the National Reconstruction Movement [MRN] has criticized President Aristide's current attitude toward the IMF, the policies of which he once condemned. Let us listen to our Gonaives correspondent Exil Noel Ediles for further details.

[Begin Ediles recording] In a statement on Gonaives' Radio Provinciale, MRN Artibonite spokesman Raoul Altidor has denounced the Haitian Government's plans to sign an agreement with the IMF. Although everything is quite clear, said Mr. Altidor, the avalanche government is [word indistinct]. Altidor stated that the government has failed to admit that it is making concessions to the IMF, which will neither provide nor let others provide loans for agriculture, health, education, or nonprofit projects. IMF demands a free-market economy, a

policy which Leslie Delatour, former minister of the economy and finance under General Henry Namphy, had first initiated.

According to the MRN spokesman, many people were pleased with Father Aristide's condemnation of the IMF and of U.S. interference policies at the antidebt tribunal in Lima on 22-24 September 1989. Yet, says Altidor, the president is now the most vocal supporter of this usurer called IMF. [passage omitted]

The MRN spokesman further accused the president of empty rhetoric, of saying whatever he thinks the people want to hear, in contrast with his actions. [passage omitted] [end recording]

Party Operation Threatened by 'Repression'

FL1309203591 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 13 Sep 91

[Text] A press release issued by the Central Committee of the Haitian Christian Democratic Party [PDCH], headed by Reverend Sylvio C. Claude, expresses surprise that political parties are no longer able to operate. According to the communique, party members attempting to hold meetings are threatened with necklacing [pere lebrun], which PDCH calls a new tool for repression and intimidation.

According to the PDCH, democracy cannot prosper if political parties do not enjoy total freedom of movement. No development is possible without the implicit freedom of a democratic, multi-party system. The PDCH press release, signed by Second Executive Secretary General Menard Charles Roberts, states that the change longed for by the Haitian people cannot be achieved by one group alone.

Bank Announces New Foreign Currency Regulations

FL1709210891 Port-au-Prince Radio Metropole in French 1600 GMT 16 Sep 91

[Text] In a letter to commercial banks and other financial institutions, the Central Bank has announced new regulations that take effect 16 September. The 40-percent deduction made by commercial banks on export receipts and retroceded to the Bank of the Republic of Haiti [BRH] will be paid to the exporter on the basis of a daily reference rate. Such foreign exchange earnings will be deposited at BRH on the first working day following the transaction.

This reference rate, calculated daily by BRH, will represent the average of all exchange rates used by banking institutions, foreign exchange centers, and other foreign currency dealers. Banks and exchange centers will send a daily report to BRH on the exchange rate applied in the sale and purchase of foreign currencies. These reports will be presented according to a format established by BRH.

Each day, at the opening of the market, BRH will advise the commercial banks of the reference rate for the computation of the exchange value to be retroceded to the Central Bank. These regulations take effect on Monday, 16 September. The letter was signed by BRH governor Roger Perodin.

St. Lucia

Country Scheduled To Implement CET on 1 Oct

FL1809180091 Bridgetown CANA in English 1649 GMT 18 Sep 91

[Report by Peter Richard]

[Text] Castries, St. Lucia, Sept 18, CANA—St. Lucia's private sector and opposition politicians are urging caution as the island prepares to join other Caribbean Community (Caricom) states in introducing a controversial Common External Tariff [CET].

An October 1 CET implementation deadline should have at least three months added in the case of St. Lucia, the Chamber of Industry of Commerce and Agriculture, the Industrial and Small Business Association (SLISBA), and the National Farmers Association (NFA) said. They worry the measure will significantly increase the cost of living, despite official assurances of a minimal rise.

Trade Minister George Mallet said that, barring major problems, government will meet the October 1 deadline set at the Caricom summit in St. Kitts last July, for St. Lucia and other common market members which missed earlier deadlines.

"I don't see the need for a (delay), but if something unexpected comes up.... then that's the course we will take. But for the time being I see nothing not to have us continue to look at October 1," Mallet said.

St. Lucia last December passed preliminary legislation for the CET's unified tax structure against third country imports, but delayed implementation. In keeping with the 1973 Caricom Treaty of Chaguaramas requirement of a common protective policy "to further integrate the economies of Caricom member states by creating an enlarged and more assured market," the Caricom summit in Jamaica last year agreed to begin implementation of the CET from January, 1991.

Only seven of the 12 common market member had implemented the CET by the St. Kitts summit in July, with St. Lucia among the defaulters. Some of the states which have implemented the measure have since applied for suspension of the specified tariff on various items, claiming hardship of one type or another because of provisions of the tariff.

While the tariff is generally seen as a regime which could help alleviate unemployment, protect regional agriculture, and develop industries of the 12-member common market, analysts here say other measures are needed to

complement the CET and the rules of origin which identify Caricom goods. Such measures include the harmonisation of fiscal incentives and an exchange liberalisation mechanism to facilitate prompt payment for intra-regional exports.

"The non-convertability of several regional currencies, together with trade payments and structural balance of payments problems suggest that certain other measures need to be put in place to ensure that there would be reciprocal trade benefits for St. Lucian exporters," the local chamber said.

In addition, the CET would provide protection in areas of manufacturing "where St. Lucia does not enjoy a large enough domestic market to make such activity locally viable," the business group said.

"We in St. Lucia need to ensure that we are not merely guaranteeing open and unrestricted access to our markets by the larger Caricom countries, without ensuring high quality products, competitive prices and available supplies," St. Lucia Labour Party [SLP] trade and industry spokesman Lawson Calderon said. The CET in its present form will "cause an increase in the cost of living through the combination of the imposition of consumption taxes to meet reductions in government revenues and the higher protective tariffs," he said.

"The SLP cautions the government.... to make a deeper appraisal of the method of liberalising trade and simplyfing the trade tariff, so that St. Lucia and other OECS [Organization of Eastern Caribbean States] states do not end up bolstering the economies of the larger Caricom countries."

The chamber also wants more information on the issue before the October 1 dateline, including a list of derogations or exemptions to be secured by St. Lucia, consumption tax changes, and administrative details.

"Although there has been significant discussion with the private sector and the public regarding the merits of the CET, to date there has not been available conclusive information and statistics on the impact of the CET and its effect on the cost of living.

"Nor have there been any meaningful statistics from Caricom regarding cost of living or associated trade benefits for those countries which have proceeded with implementation," the chamber said.

Chamber President Richard Peterkin said the organisation also wants the John Compton administration to release a government study on the CET's implications: "We understand in fact that this study has been completed and we are particularly anxious to know what the results are." Observing that the chamber in principle supports the necessity for an instrument such as the CET, but always indicated its concerns about the effect on St. Lucia, Peterkin said the group needs to know the tariffs' full effect.

Earlier this month, chief of trade, economic policy, and external economic relations of the Organisation of Eastern Caribbean States secretariat, Percival Marie, said the effect on St. Lucians would be small, probably no more than a half of a per cent increase in the cost of living.

"... We are probably looking at a maximum of 0.5 per cent increase in the cost of living arising primarily out of the CET, and that is assuming that there is no trade diversion," Marie said.

Small Business Association executive director Urban Seraphine said, however, that there are still too many issues left unanswered, making a postponement necessary: "I think there are a number of mechanisms that need to be put in place, and I think it's a little too late.

"You can't try and educate people about the CET, if the implementation date is October 1," he remarked.

Seraphine said that the CET will provide some benefits to the island but that the social implication is unknown: "The people that are going to implement the CET.... They do not have the wherewithall as yet."

Recent developments in some Caricom states have also raised concern in the private sector, which has pointed out that structural adjustment programmes in Jamaica, Trinidad and Tobago, Guyana, and Barbados "could constrain aggregate demand in those economies, with negative implications for regional trade."

The independent VOICE newspaper sought to sum up the concerns about the implementation deadline: "To say that we have had ample time to organise a proper consultation on the CET is an understatement.

"We have wasted that time doing other things and now, with implementation date around the corner, the questions and concerns are flying fast."

El Salvador

FMLN Leader Calls UN Plan 'Good Document'

PA1909001191 Madrid EFE in Spanish 2253 GMT 18 Sep 91

[Text] United Nations, 18 Sep (EFE)—The commanders of the Farabundo Marti National Liberation Front (FMLN) today described as "positive" a proposal by UN Secretary General Javier Perez de Cuellar for a peaceful solution in El Salvador.

Upon entering the UN building in New York to meet with Perez de Cuellar, FMLN Commander Salvador Sanchez Ceren said that the proposal "addresses many of our concerns and many things that have been under discussion."

President Alfredo Cristiani also sounded optimistic. After a meeting with the UN secretary general at noon today, he said that "progress is being made" in the talks.

Sanchez Ceren said that Perez de Cuellar's proposal—the contents of which have not been disclosed by either of the interested parties—"is a good document to work with and reach a conclusion."

The guerrilla representative said that the talks with Perez de Cuellar, which began on 16 September, will probably continue through 20 September.

Sanchez Ceren said it is possible that a meeting could be held between the Cristiani government and the FMLN "as a result of an agreement reached here."

More on Negotiations

PA1909124191 San Salvador Radio Cadena YSU in Spanish 1200 GMT 18 Sep 91

[Telephone interview with Commander Leonel Gonzalez, a member of the Farabundo Marti National Liberation Front, FMLN, negotiating team, by unidentified station announcer in New York—live]

[Text] [Announcer] We would like to know, commander: What reaction have you seen to the one-year national cease-fire proposal you made on 17 September? Good morning, sir, go ahead.

[Gonzalez] Good morning. I would like to clarify that we have not yet made a formal proposal at the table. This issue of the one-year cease-fire, which was first known on 17 September, expresses the will of the FMLN [Farabundo Marti National Liberation Front] to bring initiatives, so that the negotiations in New York may get a new boost toward attaining peace. In that regard, what we have presented are ideas, which are directed at allowing the negotiations to open the way toward a definite and lasting peace in El Salvador. We have made way for an initiative presented by UN Secretary General Javier Perez de Cuellar, which also, in essence, tries to boost the negotiations. It approaches the main issues that are obstructing the talks, such as the problem of the Army's future.

[Announcer] What is the UN secretary general's statement based on?

[Gonzalez] As you know, we have committed ourselves not to go into details because we have begun to work; there is a good atmosphere, we are optimistic, and we believe that we can get important results from this. Therefore, we are studying the secretary general's initiative. It has important suggestions that answer our concerns about the issue of guarantees, in order that the agreements that are reached will ensure the neutrality of the Armed Forces. You see, a main concern of whole country is whether the Armed Forces is going to guarantee these agreements. Given that we all believe that the background of the Armed Forces is no guarantee, in this UN document there are answers to these concerns.

[Announcer] Are you going to give these responses to the UN secretary general today?

[Gonzalez] We hope to respond, as the government agreed to do so today. This, because the possibility that the meetings might last until 20 September gives us a very limited timeframe. Therefore, we must move on. We are studying it, as I said before, and we have found positive aspects and, of course, it has some holes as all proposals do. We have found, however, that many of our questions have been answered. In that sense, I believe it is a good step to continue producing until 20 September.

[Announcer] The 17 September meetings began in the morning on an optimistic note, but by evening there was skepticism. What can be said to the Salvadoran people at this moment?

[Gonzalez] It is my opinion that on the part of the FMLN we have come with a great will. We have come with flexibility, meaning that we have brought ideas. We believe that these ideas are to be discussed and debated at the table, and of course, we have specific objectives and intentions. We would like whatever agreements that come from these meetings to contribute to a real peace. What does result must be related to changing the Armed Forces completely, thus ending all the repression and intimidation policies. It must ensure the way to solving the peoples' main needs. Of course, we have our objectives, but we are presenting a flexible and open position. We have found that the other party has a slightly inflexible position; they continue to say no. We are concerned that they had said no after hearing the rumors, which spread on 17 September, indicating that we had presented a cease-fire proposal. I feel that this is a bad signal. I believe that they are thinking of delaying the negotiations for too long, because they intend to continue trying to defeat us militarily. That intention only leads to delay.

As I said. We are concerned about the negative attitudes toward this rumor. We do not discard or deny the rumor.

We only confirm that we have an initiative and that we have the will to find a way to silence the weapons, so as to enter a negotiating process. This we do not discard, because we are holding it as a card that we can place on the table. We are, again, concerned about the government's position that I believe responds to the most warmongering factions of the Armed Forces.

[Announcer] Commander, on this same line and because these accusations and counter-accusations do not create a favorable atmosphere for the negotiations, do you think that the UN secretary general's petition is appropriate at this time to maintain a higher level of confidentiality?

[Gonzalez] Yes, and [words indistinct] principle, we see positive aspects in the secretary general's initiative that respond to our positions, and we believe that it creates good grounds on which to work. I repeat that I believe that by 20 September we are going to have some definitive results.

FMLN 'Ready' To Accept

PA1809232691 Paris AFP in Spanish 2132 GMT 18 Sep 91

[Text] San Salvador, 18 Sep (AFP)—Commander Leonel Gonzalez declared here today that the Salvadoran guerrillas are ready in principle to accept the UN proposal to resume the peace negotiations in El Salvador.

On 17 September, UN Secretary General Javier Perez de Cuellar presented a proposal, which—although it contains some "gaps" for the Farabundo Marti National Liberation Front (FMLN)—touches on the central points that are hindering the negotiations with the Salvadoran Government. Such is the case of the "future of the two Armies" with a view to solving the armed conflict in El Salvador, Gonzalez, one of the top five guerrilla leaders, stated.

In a statement to the local Radio Cadena YSU radio station, the rebel commander added that they will formally respond this Wednesday to the UN proposal during the third day of talks between Salvadoran President Alfredo Cristiani, the rebel leadership, and Perez de Cuellar in New York.

Gonzalez, who represents the Farabundo Marti Peoples Liberation Forces (FPL), one of the five organizations that composes the FMLN, added that this document may truly guarantee "...the neutrality of the Armed Forces."

"We bring a flexible and open position and find that the other party (Cristiani) brings inflexible positions," the rebel leader said, denying reports about a proposed one-year guerrilla truce.

Gonzalez insisted that "if the government plans to prolong the negotiations, it is because it intends to continue the counterinsurgency struggle to defeat us militarily and this would lead to a prolongation of the war" and not to peace.

The FMLN commanders who participated in the meeting with Perez de Cuellar and Cristiani have restricted visas, which only allow them the freedom to move within a 10-block perimeter of the place where they are staying and of the UN Headquarters in New York.

Guatemala

Report of Operation Against Rebels Denied

PA1909030791 Panama City ACAN in Spanish 1917 GMT 17 Sep 91

[Text] Guatemala, 17 Sep (ACAN-EFE)—The Guatemalan Armed Forces denied today that some 10,000 security agents are participating in a counter-insurgency "combing" operation in Escuintla Department.

Military sources told ACAN-EFE that the Army is only conducting routine patrols from the towns of Amatitlan to Escuintla to keep the guerrillas from harassing the residents of those regions. Last August guerrilla cells temporarily occupied the Escuintla Department's capital city and placed roadblocks near the presidential Santo Tomas retreat, located 45 km south of Guatemala City. One soldier was killed and nine civilians were wounded in that occupation.

According to the newspaper EL GRAFICO, approximately 10,000 National Police, Treasury Police, and soldiers were called upon today to begin a "combing" operation to eliminate the guerrillas of the Revolutionary Organization of the People in Arms (ORPA) on Guatemala's southern coast. EL GRAFICO said that the operation will last several days.

A source at the Information and Press Department of the Army (DIDE) explained that this is not a major operation but a routine patrol measure, as the rebels have fled from Escuintla Department. The Guatemalan National Revolutionary Unity (URNG), however, reported that on 15 September it blew up a private truck in northwestern Huehuetenango Department as well as at least four propaganda bombs in that region and Guatemala City.

Security Forces, Police Act Against Rebels

PA1809183391 Guatemala City EL GRAFICO in Spanish 17 Sep 91 p 3

[Report by Arnulfo Chapas]

[Text] Esquintla, 17 Sep—Approximately 10,000 security agents will gather early on 17 September in order to participate in a so-called "combing operation" to clear rebels from Amatitlan to Santa Lucia Cotzumalguapa on the Atlantic coast, reliable official sources have reported.

State security agents will gather at the operations center in Esquintla Department under the coordination of Military Zone No. 12 of Santa Lucia Cotzumalguapa.

Honor guard soldiers will be deployed in armored vehicles from the capital to Esquintla, where they will join National Police and Treasury Police agents in fighting Revolutionary Organization of the People in Arms, ORPA, guerrillas who have been operating in that department.

According to the sources, the residents of that southern coast area are terrified by the presence of Guatemalan National Revolutionary Unity, URNG, rebels, who have carried out various attacks on military targets and have killed or wounded several soldiers.

Combined government forces will participate in the combing operation, which will last several days. The goal is to clear the department of the rebels, who for several weeks have been attacking military targets and setting up checkpoints on roads in order to stop traffic and collect "war taxes" from the drivers.

Rebels Dynamite Truck, Set Off Propaganda Bombs

PA1809175691 Guatemala City EL GRAFICO in Spanish 17 Sep 91 p 5

[Text] During the 15 September holiday, Guatemalan National Revolutionary Unity [URNG] forces dynamited a truck in Huehuetenango Department. They also conducted various other actions, especially propaganda activities.

In Palos Altos, Nenton, Huehuetenango Department, the rebels dynamited a truck owned by Andres Martinez and then fled. According to reports, they seriously damaged the vehicle.

In Gracias a Dios, rebels set off propaganda bombs and put up banners with slogans against the government and the Armed Forces. They also distributed leaflets among residents. Something similar occurred in Totonicapan.

Rebels set off another propaganda bomb in Boca del Monte and also in front of the National Agricultural Development Bank located on Ninth Avenue and Ninth Street in Zone 1. Another explosion occurred on San Juan Road and Fourth Avenue.

On Fourth Avenue and Sixth Street, in Zone 11, URNG forces set off a propaganda bomb asking residents to protest the energy rationing decreed by the government throughout the country.

Nicaragua

Chamorro Withdraws Lawsuit Against U.S.

PA1809202091 Managua Radio Sandino in Spanish 1200 GMT 18 Sep 91

[Text] President Violeta Chamorro decided six days ago to sign—silently, mysteriously, and without television cameras or the traditional government propaganda—the request to withdraw the lawsuit filed against the United States. The International Court of Justice ruled that the U.S. Government must pay for the damage caused by terrorism and the damage caused on the economy by the CIA's military actions and sabotage in the war that was waged during the Sandinist regime.

The Foreign Ministry had to withdraw the lawsuit so that the World Bank and the Inter-American Development Bank would announce the end of the blockade against credits for Nicaragua. Foreign Minister Enrique Dreyfus said there is a mitigating circumstance that allows the lawsuit's withdrawal—the United States has supplied $800 million in aid to Nicaragua since President Violeta Chamorro assumed the Presidency.

The International Court of Justice had the documents demanding $17 billion in compensation up to the last day in which Daniel Ortega was president. President Chamorro's authority allows her to withdraw the lawsuit. Foreign Minister Dreyfus said that no pressure was exerted so Nicaragua would withdraw the lawsuit.

More on Suspension of Trial

PA1909014291 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 18 Sep 91

[Report by Erica Ramirez]

[Text] The Nicaraguan Government on 12 September suspended the trial against the United States at the International Court of Justice at The Hague, Foreign Minister Enrique Dreyfus has announced.

The decision of the Nicaraguan Government was made taking into account the new relations between both countries and the broad cooperation of the United States with the new administration.

[Begin Dreyfus recording] Within the framework of cooperation and the foreign debt, the U.S. Government has contributed more than $800 million to the economic recovery of Nicaragua, which amounts to more than $1.5 million per day in financial contributions given to the government of Violeta Chamorro. [end recording]

According to Foreign Minister Dreyfus, this measure will translate into the development of U.S. cooperation with Nicaragua at all levels. This measure will also permit us to enter a new phase of the bilateral history of both countries.

[Begin Dreyfus recording] Both governments have intensified their relations, consultations, and contacts for the first time, without adversely affecting Nicaragua's foreign policy of nonalignment, as well as its active and independent position regarding regional conflicts. [end recording]

Meanwhile, the foreign minister announced that President Violeta Chamorro will visit Honduras in response to an invitation by the president of that country. It was

also announced that President Chamorro will visit France on 1 and 2 October; she will be received by French President Francois Mitterrand.

Poll Reveals People Concerned Over Lack of Jobs

PA1809162591 Managua LA PRENSA in Spanish 16 Sep 91 pp 1, 12

[Text] When Nicaraguans began to feel the pinch of the economic crisis and learn the damage caused by a devaluation every Monday, the economic problem—which can now be represented as a feeling of anxiety over the lack of employment—became the most important issue on their list of priorities.

LA PRENSA in coordination with the firm "Victor Borge has begun to conduct a series of polls in Managua to learn, from a scientific perspective, the most important needs and problems of the residents of the capital. [no closing quotation marks as published]

An initial survey of 391 persons in Managua, 50 percent men and 50 percent women, all of whom are over 16 years of age, shows that the biggest concern among Nicaraguans is the lack of employment and the ensuing lack of income and unresolved economic problems. In this survey, politics came in third place.

The younger the age, the more concern there is over the lack of employment. As age increases, this uncertainty becomes reduced. However, 25.8 percent of all men polled gave worrying answers. In Nicaragua, head of households retire from work after 65.

In recent days, the waiting rooms of public and private companies have been filled with young people looking for jobs. An estimated 30.9 percent of persons between 16 and 29 have expressed their concern over the lack of job opportunities.

At the People's National Corporation [CORNAP], four youngsters told this newspaper that for months they have visited several companies without being able to find a job.

That same day, another group of five youngsters came to talk to the CORNAP's doorman and told him: "We are looking for a job, man." Unfortunately for them, a few vacancies, which had been recently announced, were filled in a matter of days.

Only 26 percent of those polled expressed their satisfaction with the employment possibilities, while 74.1 percent of men surveyed viewed them negatively. In addition, 71.9 percent of men over 50 voiced their concern over employment possibilities.

According to the poll, persons in all age groups are equally concerned over employment possibilities, which force them to remain in their current jobs. The poll also revealed that 40.2 percent of the people expressed dissatisfaction with their current jobs.

Curiously, while most people identified the economic difficulties and unemployment as the most important problems of the country, 3.1 percent of those polled considered "the political revenge," a new phrase in recent months, as a minor problem.

Approximately 57 percent of those surveyed considered that churches represent a necessity. This can be interpreted as the widespread support for Catholicism, under which many people took refuge over the last few years.

Another part of the poll measuring the degree of satisfaction of the population with material possessions revealed that 70.1 percent of those polled expressed happiness with their homes and an equal percentage viewed their wardrobe favorably.

Managua residents were also polled on their most critical needs, voicing their concern over the state of the streets and the urgent need to build sports facilities.

As was demonstrated by the informal conversations between persons from the middle and low classes, the political and social problems ranked third. Generally speaking, if anyone hears a conversation at a bus stop, everyone will be talking about prices, currency, and the supply of products.

As analysts said: "Nicaraguans were forced to obtain a master's degree in economy" by having to deal with a chaotic and unknown situation.

Regarding the problems of the community, after discussing the lack of jobs, 10.6 percent of men surveyed usually talk about the condition of the streets. Despite the repair work being done by the mayor's office, the lack of maintenance to the street infrastructure over the past few years can still be seen in the Eastern Market Street, where vehicles cannot go through.

The much-publicized and announced arrival of cholera has caused an increase in the adoption of hygienic measures. As a result, 8.7 percent of those polled, especially women, placed the cholera epidemic second in importance.

The crime rate has frequently been linked with the lack of adequate sports facilities. There are no places for practicing sports in Managua, with the exception of the Don Bosco Youth Center.

This lack of sports facilities can be seen in the opinion of 81.3 percent of those surveyed, who asked for more sports facilities when requested to provide a list of their needs.

The older the persons are, the more concerned they are over sports facilities. An estimated 78.2 percent of those between 16 and 29 years of age expressed the need for more sports facilities, while 84.4 percent of those over 50 years noted this need.

This is perhaps due to the fact that the youngsters who favor more sports facilities placed more importance on

sports than on electronic games, which are the main attraction of children and teenagers.

According to this survey, Managua residents are more interested in the construction of sports facilities than health centers. Managua residents listed health centers as second on the list of their needs. The older they are, the more concerned they are over the lack of health centers. An estimated 74.5 percent of those polled between the ages of 16 and 29 voiced their concern over the lack of health centers, while 78.1 percent of those over 50 expressed the same concern.

To sum up, the poll revealed that Managua residents are least satisfied over the employment possibilities, entertainment opportunities, their present job, and transportation service. The percentage of satisfaction of all the aforementioned options ranges between 40 and 26 percent.

Recontras in Jinotega Loot Stores, Rob Drivers

PA1809160791 Managua Radio Sandino in Spanish 1200 GMT 17 Sep 91

[Text] Yesterday 15 recontra elements wearing camouflaged military uniforms and armed with AK rifles attacked the town of Pueblo Nuevo, 15 km north of Jinotega. The recontras said they were following orders from El Indomable.

This information was provided by Second Lieutenant Carlos Rodriguez, deputy police commander of Jinotega. He said that the recontras forced the townspeople to remain inside their houses and then proceeded to loot the local peasants store, as well as the shops owned by Adan Montenegro and Invania and Jorge Echeverria.

The recontras stole boots, basic grains, and liquor. Afterwards they searched houses looking for weapons. The Jinotega Police Department has reported that among the attackers were Oscar Saenz, implicated in the killing of seven peasants three months ago in [name indistinct], and Antonio Medina, who is wanted on cattle rustling charges.

Following the attack, the recontras went to Venecia, 5 km north of Pueblo Nuevo, where they stopped vehicles and stole money from drivers and passengers.

Second Lieutenant Rodriguez reported that there are only three policemen in that area and that there is no rural police force or nearby military base to protect the area.

Panama

'Unconstitutional' Suit Filed Against MLAT

PA1809152691 Panama City Radio KW Continente in Spanish 1200 GMT 18 Sep 91

[Text] Approximately 35 lawyers opposed to the government of President Guillermo Endara filed an unconstitutional suit against the Mutual Legal Assistance Treaty [MLAT], which was subscribed between Panama and the United States to fight drug trafficking-related money laundering activities.

Rolando Murgas, former magistrate of the Electoral Tribunal during 1984, presented the legal appeal before the Supreme Court Secretariat on behalf of the Lawyers Democratic and Patriotic Union [Union Democratica y Patriotica de los Abogados].

Mr. Murgas stated that the MLAT violates the clear norms of the Panamanian Constitution, among them the ruling that no person can be forced to testify against himself.

Furthermore, the MLAT makes no reference to the guarantees that must be given to Panamanian felons that are transferred to the United States as part of a sentence execution.

In 1984 Murgas was charged with taking part in an electoral fraud against the late Arnulfo Arias to favor Nicolas Ardito Barletta, who was the candidate of General Manuel Antonio Noriega.

Spadafora's Widow To Sue Noriega Per U.S. Law

PA1809140991 Panama City EL SIGLO in Spanish 17 Sep 91 p 40

[Article by Carlos Singares]

[Text] According to investigations conducted by EL SIGLO, the suit filed by Ariadne Vejarano, Hugo Spadafora's widow, against Former Panamanian dictator Manuel Antonio Noriega could lead U.S. justice to condemn him to life imprisonment.

Spadafora's widow has announced that she will demand that U.S. courts try General Noriega for her husband's murder in 1985. She will demand that he be tried in accordance with a law established in 1789, which is part of the U.S. judicial system because it was used to try pirates for crimes committed outside the United States.

Ariadne Vejarano, 29 years old, was married to the former Panamanian guerrilla in his later years and has raised a controversial question. How is it possible that Noriega is only accused of drug trafficking and all the other crimes, such as her husband's decapitation, will remain in impunity?

The trial of Paraguayan military man Joe Fiartiga for murdering his adolescent son and for other crimes he committed during the Paraguayan dictatorship is well-known in the annals of U.S. justice. This is the kind of case that Spadafora's widow will adduce before the U.S. courts. The fact that the Panamanian Government has not taken any steps to file a formal accusation against Noriega for the many crimes he committed in Panama draws a lot of attention. At the same time, the government has ordered all officials and diplomats to "remain silent" regarding Noriega's trial.

Several local lawyers who were consulted agreed that it is incomprehensible that the government has made absolutely no accusations against Noriega at U.S. courts despite the fact that it could do so, according to human rights laws.

Peruvian Embassy Questioned on Missing Officers

PA1909035891 Panama City Circuito RPC Television in Spanish 1730 GMT 18 Sep 91

[Text] The whereabouts of former Panamanian officers Heraclides Sucre and Gonzalo (Chalo) Gonzalez, who traveled to Peru upon receiving political asylum, are unknown. Sucre and Gonzalez have been implicated in the death of Moises Giroldi during the coup against Manuel Antonio Noriega on 3 October 1989. Here are comments by Foreign Minister Julio Linares.

[Begin recording] [Linares] Yesterday we received a note from the Panamanian Embassy in Lima with a photocopy of a verbal note from the Peruvian Foreign Ministry informing our embassy that the whereabouts of Gonzalez are unknown. We even suspect that Gonzalez is no longer in Peru.

[Reporter] Are you referring to both Sucre and Gonzalez?

[Linares] Gonzalez. Needless to say, this represents a grave and unprecedented situation regarding the right to asylum. In this case, an individual received a safe-conduct after which his extradition was requested. Then this person, whose extradition was requested, simply disappears. In view of the situation, the deputy foreign minister and I met with the Peruvian ambassador to Panama and delivered a note of which you will receive copies. The note reads:

The Foreign Ministry respectfully greets the honorable Peruvian Embassy. On this occasion we must state that at a time when relations between Panama and Peru seemed to be developing within a climate of understanding and fraternity, the Government of the Republic of Panama has learned with surprise and displeasure that the illustrious Government of Peru is ignorant of the whereabouts of asylum seekers Gonzalo Gonzalez and Heraclides Sucre. [end recording]

Customs Director on Money Laundering in Obaldia

PA1809224191 Panama City EL DIARIO INDEPENDIENTE in Spanish 18 Sep 91 p 23

[Report by Lionel Blaisdell]

[Text] Customs Director Rodrigo Arosemena has denied having any knowledge related to improper conduct by Second Vice President Guillermo Ford's nephew, who has been accused of bringing thousands of dollars in alleged drug trafficking funds through Puerto Obaldia.

According to newspaper sources, Henry and Geronimo, the brother and nephew of Guillermo Ford, minister of planning and economic policy, are supposedly involved in laundering drug trafficking funds.

Arosemena pointed out that drastic measures will be taken in Puerto Obaldia, a region bordering Colombia, in order to curb contraband and the flow of "dirty" money. Mr. Arosemena added that his office has no proof that Geronimo Ford is involved in any illegal activity. Geronimo Ford is a former Customs Directorate official.

On the other hand, Rodrigo Miranda, a former special prosecutor who was dismissed from office, stated to a local newspaper that Minister Ford's brother Henry had made use of an armored truck company to transport laundered money from the United States to Central America.

Legislator Denies Drug, Arms Trafficking Links

PA1809182091 Panama City Circuito RPC Television in Spanish 2300 GMT 17 Sep 91

[Text] Here in Panama Balbina Herrera, a legislator and member of the opposition Democratic Revolutionary Party [PRD], denied any links with drug trafficking and arms trafficking because she was not a public official in 1983, the year cited by the key prosecution witness in Miami. Balbina Herrera said, however, that she is willing to be investigated by Panamanian courts.

[Begin recording] [Herrera] He is mistaken. I think he is making a grave mistake. I can tell you that we will clear it up. If I have to go and testify I will, because I did not meet with any U.S. citizen in the Holiday Inn in 1983. I did not have any contact with General Noriega at that time. The Panamanian people know that I did not become directly linked with Gen. Noriega until after 1987, when this country entered a political crisis. I really think that this drug trafficker, the witness who admitted to laundering money and taking drugs, is mistaken.

[Reporter] Nonetheless, this person who is in Miami identified you on a videotape, saying that the transactions had been carried out with you.

[Herrera] Let him come to Panama to say it was me. I have nothing to do in the United States. That is their problem. The Noriega trial is a gringo problem; it is not a problem of Panamanians. It is their problem. Let him come to Panama. I am open to any investigation under Panamanian laws. There is no suit pending against me involving money laundering or drug trafficking. I am going to tell you one thing. If the gringos want to take me out of this country, they will have to take me out dead. What I can say is that if I have to [rephrases]...if there is another invasion of Panama and I have to give shelter to Noriega or to any other Panamanian in my house, as I did on 20 December, I will unflinchingly do so. [end recording]

Strikes Continue in Bocas del Toro Province

PA1809232091 Panama City EL DIARIO INDEPENDIENTE in Spanish 18 Sep 91

[Report by Lionel Blaisdell]

[Text] The strike of the construction and banana export sectors in Bocas del Toro Province is continuing for the third consecutive day. The strike is being held to exert pressure on the government because it has not responded to specific requests.

The participants in Bocas del Toro's strike demand the prompt reconstruction of the province, which is located on the Costa Rican border. The province sustained severe damage during the 22 April earthquake and, to make matters worse, was also affected by floods in August.

Labor Minister Jorge Ruben Rosas yesterday urged the workers who comprise the Committee for the Recovery of Bocas del Toro, basically the members of nine independent labor unions of the Chiriqui Land Company, "not to interrupt banana production and export activities because this worsens the region's economic problem and affects revenues.

Talking about the construction workers' case, Ruben Rosas said that his ministry is taking the necessary steps to find a solution that is satisfactory to both sides.

The labor minister yesterday said he does not endorse freezing public employees' salaries because, in his opinion, this would violate labor laws. "The government will not give in to the international financial organizations' demands to freeze salaries," Minister Jorge Ruben Rosas emphasized.

Argentina

Menem Discusses IMF Talks, Trip to U.S.

PY1809140091 Buenos Aires TELAM in Spanish 1257 GMT 18 Sep 91

[Text] Buenos Aires, 18 Sep (TELAM) — President Carlos Menem termed as "excellent" the talks he held with Ted Beza, an IMF representative visiting our country, and he revealed that Argentina will be in a position that will allow it to receive the services and benefits offered in the Brady Plan.

In remarks to Radio Rivadavia, the president said that in view of his upcoming trip to the United States, "we will be in a position to receive the services that have been offered that will help strengthen the economic process," and he commented that there is "a real possibility—but it must be taken with a grain of salt—of receiving the Brady Plan's benefits, and these are the prior steps" for it to happen.

Fernandez Renegotiates Paris Club Debt

PY1909034691 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0033 GMT 19 Sep 91

[Text] Buenos Aires, 18 Sep (NA)—The Economy Ministry reported that Roque Fernandez, chairman of the Central Bank of the Argentine Republic (BCRA), signed in France today an agreement to refinance the Argentine debt with the Paris Club.

The refinancing of the debt totals $1.5 billion, which will be rescheduled for payment of all capital and interest in 10 years, with a six year grace period.

In an official communique, the ministry pointed out that the agreement "will advance Argentina's reinstatement in the international financial markets."

The creditor countries that participated in the negotiation are: Germany, the United States, Japan, France, Canada, United Kingdom, Spain, Italy, the Netherlands, Finland, Belgium, Sweden, Denmark, Austria, and Switzerland.

The communique added: "This is the fourth time our country negotiated with the official creditor countries since the beginning of the debt crisis. The amount involved in these four negotiations totals approximately $6.5 billion."

The Paris Club is comprised of countries, not trade banks or multilateral credit organizations.

Federal Stand on Strikes Sparks 'Heated Debate'

PY1809215891 Buenos Aires BUENOS AIRES HERALD in English 18 Sep 91 pp 1, 11

[Text] (DYN-NA)—The government sparked a heated debate amongst labour organizations yesterday when it declared "illegal" all strikes called against "political decisions" made by the Executive branch, according to statements released by two national cabinet ministers.

"Strikes called to oppose political decisions and which have nothing to do with real labour concerns are going to be declared illegal," announced [Economy Minister Domingo] Cavallo during an interview on Radio America.

"When a strike is used as an instrument for corporate pressure in order to change the decisions of a democratic government, they are abusing a constitutional right," said [Labor Minister Rodolfo] Diaz on Radio Mitre.

At the same time, the 62 Organizations (Peronist union grouping) expressed their anger with President Carlos Menem, stating that the head of state had yet to plan a date to meet with that labour sector, which is headed by Metal Workers Union (UOM) Secretary- General Lorenzo Miguel.

"We will not accept these measures meant to weaken the workers' movement," stated Miguel in response to the government's state reforms and Cavallo's threat to declare illegal all strikes which the government considers "political."

Both Labour Minister Rodolfo Diaz and Economy Minister Domingo Cavallo described the conflict with the state oil workers union (SUPE) as a strike aimed at breaking government policies designed to deal with labour demands.

The oil workers union "cannot implement a protest measure against a political decision of the government and then ignore the consequences," Cavallo asserted.

The official denied that the dismissals of YPF [Government Oil Deposits] employees who backed the strike reflect an "attitude of vengeance" and considered that the measure was adopted "to send a clear message" to those who would attempt to undermine government decisions in the future.

"If someone disagrees with official decisions, there are ample instruments in a democracy to oppose them," Diaz concluded.

Despite individual support expressed by the members of the 62 Organizations for the bank officials and YPF workers, the labour leaders refrained from making a public statement of solidarity with the clear intention of avoiding a new confrontation with Menem.

Miguel went on to suggest that if the president had agreed to receive the labour leaders a few days earlier the conflicts caused by the state reform and administrative streamlining "could have been avoided."

The labour leader announced plans for a national plenary of the 62 Organizations to take place on September 25 in the covered stadium of the Ferrocarril Oeste club,

in order to define an official position for the Peronist labour grouping regarding the social and economic policies of the government.

In related news, the AB bank clerks union announced plans yesterday for a march which will take place next Tuesday [24 September] to protest the government decision to trim 10,000 state bank jobs.

The protest measure, to be held in front of the Congress building, was decided by the National Executive Council presided by Juan Jose Zanola, who demanded "a state bank which serves the country and the passage of a new finance law."

Meanwhile, the AB and the Labour Ministry plan to hold an important meeting today to analyze the restructuring of the Banco Nacion.

The assembly, which is scheduled to begin at 3pm, will be presided by Enrique Rodriguez and will include state bank representatives.

The government warned the AB to avoid any further surprise strikes in the national and provincial banks to protest the restructuring announced by Cavallo.

Meanwhile, an assembly of Banco Nacion personnel decided yesterday to suspend the protest measure "until all details of the restructuring and voluntary retirement programme are released," according to Jorge Mera, Internal Commission delegate.

Cavallo, who described the restructuring of the bank as "vital," repeated that "all strikes which are called to oppose political decisions will be illegal."

According to sources, the AB will insist during the assembly today that the government respect a statement it signed along with the state banks, which provides for the creation of a commission which includes labour representation, whereby the restructuring of the state bank will be discussed.

In other news, the government will intervene starting today in the conflict between YPF and SUPE acting on a request from both groups for "voluntary conciliation."

Labour Undersecretary Rodriguez stated that a conciliation "was requested by both parties and because it is a voluntary request, which doesn't imply that measures already adopted will be revoked." [sentence as published]

The intervention of the Labour Ministry does not oblige the company to cancel the 2,700 dismissals, which were ordered last Friday and declared illegal by the National Labour Executive Board.

Likewise, YPF sources asserted that "the fired workers will not be rehired" and that the best offer which could be made would be to include them on the list for voluntary retirement.

Rodriguez said that the ministry's intervention "was presented on a note signed by both parties" and stated that "it constitutes a first step towards finding a solution."

The note asking for intervention was agreed upon yesterday by YPF authorities and the SUPE legal council following "extensive and difficult negotiations," according to labour spokesmen.

Finally, the government conceded yesterday to the Private School Teachers Union (SADOP) the possibility of privately discussing the union's wage claims and demands for improvements in work conditions in the framework of a new bargaining law for the private sector.

The measure was adopted in Resolution 440 of the Labour Ministry and revealed to the main SADOP representatives during a union protest measure which took place in front of the Labour Ministry yesterday.

Government, Radical Party Prepare Dialogue

PY1809220691 Buenos Aires BUENOS AIRES HERALD in English 18 Sep 91 p 11

[Text] Interior Minister Jose Luis Manzano, Presidential Chief- of-Staff Eduardo Bauza and the Radical Party chairman, former President Raul Alfonsin, held a surprise meeting yesterday to reach an agreement on the agenda for post-election political dialogue, set to start next week.

During a press conference held after the meeting, Manzano made it clear that the issue of constitutional reform was left out of the coming talks and would only be subject to discussion in 1993.

Among other items, the main national political forces will discuss ways to fund the pensions system, analyze the situation of the poorer sectors of society, study the future relations between the federal government and the provinces and seek agreements on foreign debt, energy policy and integration with the other Mercosur [Common Market of the South] countries.

However, in a press release the Radical Party leadership stated that the issues covered by the meeting were "the constitutional reform, republican controls on government action, the method of electing the mayor of Buenos Aires, foreign policy and social programmes."

The statement indicates that Alfonsin will present the points in discussion to be debated by the party's National Committee and emphasized that "it was agreed that the parties will be given a bigger role in the discussion of the national budget."

Justicialist Deputies Elect New Bloc Leaders

PY1809212491 Buenos Aires BUENOS AIRES HERALD in English 18 Sep 91 p 11

[Text] (DYN-NA)—Lower House Justicialist deputies yesterday voted for Jorge Matzkin (La Pampa) as their caucus leader and Carlos Romero as first vice-president of the bloc.

Matzkin will replace temporary majority leader Luis Martinez (San Juan), who took over leadership of the Justicialist bloc after Jose Luis Manzano was appointed Interior Minister.

Justicialist deputies will discuss today the four other vice- presidencies, as well as the labour law package presented by the government.

The labour package included controversial proposals opposed by the labour wing of the party including legislation to make the job market more flexible and a ceiling on accident compensation.

The Justicialists will also discuss today how to finance the indebted trade union social welfare funds. The labour wing of the Justicialist Party said that it was essential to bail out the trade unions' social welfare funds if the party expected them to vote in favour of the controversial labour package.

President Carlos Menem has already said no to bailing out the social welfare funds, thus causing the deputies to plan amendments to labour legislation.

Bill on Antidrug Trafficking Sent to Congress

PY1809220091 Buenos Aires BUENOS AIRES HERALD in English 18 Sep 91 p 11

[From the "Argentina in Brief" column]

[Text] (DYN-NA)—The government yesterday sent Congress a bill to fight drug-trafficking which would support undercover agents and halve the sentences of criminals who are willing to turn in the leaders of criminal organizations. The bill was signed by President Carlos Menem and Justice Minister Leon Arslanian. Undercover agents must receive instructions from their superiors before infiltrating illegal organizations, the draft law reads.

Bolivia

U.S., UK Ambassadors' 'Interference' Criticized

PY1809162291 La Paz PRESENCIA in Spanish 11 Sep 91 p 5

[Excerpts] Opposition deputies yesterday harshly criticized U.S. Ambassador Charles Bowers and U.K. Ambassador Michael Jackson, particularly Bowers, for not respecting Bolivia's national sovereignty and for "interfering" in strictly domestic affairs.

The deputies bluntly rejected the two diplomats' remarks on domestic policies, which are the national government's exclusive prerogative. Bowers said the Army soon will join the fight against drug trafficking, while Jackson said drug consumption in the country has increased.

MIR [Movement of the Revolutionary Left] Deputy German Quiroga said the U.S. ambassador's remarks constitute "interference by a guest in internal matters that are only the Bolivian people's business." Quiroga demanded that the U.S. ambassador "treat the country with appropriate respect."

Quiroga said that only the legally authorized authorities can decide how Bolivia will conduct the fight against drug trafficking or whether and how the Army will participate.

"The fact that these countries grant us economic aid does not mean that Bolivia is subordinated to what they impose," Quiroga said. [passage omitted]

Condepa [Conscience of the Fatherland] Deputy Andres Soliz Rada said it is the Bolivian Government, not a foreign government, that will decide whether the Army will participate in the fight against drug trafficking. Soliz said that drug control policies are a Bolivian prerogative "within the framework of the country's sovereignty and dignity."

The Americans decide how to fight drug trafficking in their country; "we have the right to decide how to do it in our country," the deputy said.

Soliz stressed the need to fight drug trafficking without necessarily involving the Army because its participation will increase tensions between Bolivians. Soliz said the problem "should not be used as a pretext for foreign interference in domestic affairs." [passage omitted]

United Left Deputy Filemon Escobar said Charles Bowers' remarks constitute a "blatant interference" in Bolivian domestic affairs that tramples on our national sovereignty.

"Who is that gentleman?" Escobar asked, adding that the only person authorized by the Constitution to decide what the Armed Forces will do is the president of the Republic. "No one else can do that, least of all an ambassador," Escobar said.

The deputy said the foreign diplomat's arrogance to deny or disallow a Defense Ministry report on Army instructions was unacceptable and incredible. Escobar also rejected the report that the top military command reported to an ambassador before doing it to the commander in chief. [passage omitted]

MBL [Free Bolivia Movement] Deputy Alfonso Alem said: "It is not a U.S. ambassador's prerogative to tell us how we are going to conduct the fight against drug trafficking, least of all to give orders as to when the Army

should join the fight." Alem regretted the fact that Bowers was "prematurely" following his predecessor Robert Gelbard's steps.

Alem demanded that the Foreign Ministry "safeguard our sovereignty" by formally protesting to the U.S. Embassy, demanding respect for our self-determination and that it refrain from interfering in our domestic affairs. [passage omitted]

Chapare Coca Growers Seek $500 Million

PY1809214391 La Paz PRESENCIA in Spanish 11 Sep 91 p 6

[Text] The peasants who grow coca in Chapare, Cochabamba Department, need about $500 million for alternative development and to finance the substitution of coca by other products.

This was stated by leaders of the five peasant federations of Chapare in answer to a U.S. Embassy spokesman who said that $140 million have been invested in alternative development over the last four years.

German Portanda, president of the coordinating committee of the five federations, said that the economic support provided by the U.S. Administration is insufficient. He also denied that those investments have been made in Chapare.

He said: "We want a list of all the works done in Chapare with this $140 million." He added: "That region should be flourishing with that support."

Portanda said ironically that this money was probably used to buy vehicles for government offices and not for alternative development.

He also stated that of the $120 million mentioned by former U.S. Ambassador Robert Gelbard before he returned to his country, only $80 million would come to Bolivia and that the rest must be put up by the Bolivian Government.

Portanda added that it is necessary to establish amounts and specify projects to be completed with the latest cooperation. He said that the peasants of Chapare demand money, not promises. The money only appears in declarations or is used for other projects, he concluded.

Senator on U.S. Drug Cooperation Agreement

PY1809163891 La Paz EL DIARIO in Spanish 12 Sep 91 p 5

[Text] According to Lorgio Rivera Calabi, chairman of the Senate's Narcotics and Drug Addiction Commission, the interior and defense ministers do not disagree over the sort of training Army battalions receive from the United States.

In the last few days, the defense and interior ministers openly disagreed because the defense minister said the training received by Army battalions is clearly aimed at a low-intensity war, while the interior minister asserts that it is aimed at the antidrug fight.

In view of that, Senator Rivera Calabi said the defense minister is misinterpreting the reason for training the battalions. He adds that the Manchego Regiment of Montero, Santa Cruz, and the Jordan Regiment of Riberalta, Beni, which total 1,000 men, have been trained specifically for the antidrug fight.

The mission of these troops will be to support the National Command of the Antinarcotics Force together with the Special Antinarcotics Force (FELCN) and not to carry out isolated operations.

The actions carried out by these elite troops will be basically directed against drug trafficking and not to carry out a low-intensity war.

Rivera categorically stated: "There are no guerrilla groups in our country, so I ask myself, against what insurgent groups will these troops act? The drug traffickers are not entrenched in Bolivia; that is why I think the defense minister simply made a mistake in interpretation."

Senator on Coca Price, Cocaine Production Rise

PY1909001991 La Paz PRESENCIA in Spanish 13 Sep 91 p 8

[Text] Senator Lorgio Rivera, president of the Senate Committee on Drug Trafficking and Addiction, has admitted that the level of cocaine production in Bolivia has increased as part of "a recurrent cycle" that began in August.

Rivera said that the coca and cocaine economy has been stimulated "by increased international demand." The senator pointed out that the illicit trade is now directed to the United States, Europe, and Asia.

One of the visible indications or this reactivation is the increase in the price of a drum [50-52 pounds] of coca in Chapare and other traditional producing regions. Rivera said that a coca drum was worth 40 bolivianos only two weeks ago but today it is worth 200 bolivianos.

Rivera said that the country is financially incapable of countering the influence of drug trafficking. He estimates that trafficking represents 30 percent of the gross domestic product.

The legislators told PRESENCIA that the governments of the Andean countries are concerned over the strong influence of trafficking on their economies. "This is the biggest problem in the fight against drug trafficking in the region," Rivera said.

Drug prices are being stimulated by increased demand on the U.S. and Japanese markets. Rivera calculated that 10 percent of the entire population of New York is addicted, while consumption in Asia is increasing.

Trafficking is the second most important business in the world, the biggest business is arms trafficking.

According to reports from specialized agencies, several important criminal organizations have lost their leaders during the past seven months.

The increase in coca prices will discourage the alternative programs that seek to replace coca leaf cultivation. Drug trafficking gangs, meanwhile, can maintain production levels by paying higher prices.

Minister on Drug Leaders Leaving Trafficking

PY1809191691 La Paz PRESENCIA in Spanish 14 Sep 91 p 7

[Text] Interior Minister Carlos Saavedra said yesterday that the alleged "big fish" in drug trafficking, who are gradually surrendering to the Bolivian courts, are interested in definitely giving up illegal drug trafficking. He ruled out the possibility that they could continue to operate from inside prison.

Saavedra thus contradicted General Elias Gutierrez, commander of the Special Antinarcotics Force (FELCN), who on 12 September told PRESENCIA that the "big fish" could continue to organize crime from inside prison "but not as efficiently as when they were free."

Saavedra explained: "We have built a top security prison where there will be much more control and where the people who have surrendered will serve their sentences. According to the initial information that we have received, these people definitely want to become lawful citizens."

Saavedra confirmed that so far three people charged with drug trafficking have accepted the "repentance decree" and that it is very probable that others will join them.

The interior minister confirmed that the only guarantee for these people is that they will not be extradited to the United States. Their trials will follow the provisions contained in Law 1008, he said.

Saavedra said that the information provided which helps to resolve other drug trafficking cases could be considered a mitigating circumstance. In this case, he said, the prosecutor could ask for the minimum sentence, that is, 10 years for that law.

The interior minister denied the existence of a small airplane which was allegedly seized in eastern Bolivia with a drug cache and seven passengers. Saavedra noted: "Careful investigations were conducted and there is no such small airplane. A ham radio operator carelessly broadcast such a report, but it does not agree with reality."

Saavedra said that there are many ham radio operators who do not have legal permits and use their radios to confuse the community, as in this case.

Saavedra also ruled out the possibility that the FELCN could become autonomous in the management of its economic resources, as requested by the FELCN commander.

The interior minister said that the FELCN economic management law will not be changed and its provisions will be observed.

Saavedra said that the FELCN should become more efficient through the organizational changes that are being planned.

More on Surrender of Trafficker

PY1809205991 La Paz Television Boliviana Network in Spanish 1700 GMT 18 Sep 91

[Text] The surrender of Hugo Rivero Villavicencio represents the total decimation of one of the largest drug trafficking gangs in Bolivia.

This is why the repentance decree is considered the most effective instrument in the struggle against drug trafficking in Bolivia. Interior Minister Carlos Saavedra Bruno said:

[Begin recording] The decree has yielded results, and not just because Hugo Rivero surrendered since he was not the main objective.

Without doubt, he was one of the most important men, and his presence influenced the issuance of this decree. Since 1988, Hugo Rivero was the most wanted man by the Special Antinarcotics Force and by the DEA. I do not have the exact figures, but we have spent hundreds of thousands of dollars trying to arrest Hugo Rivero in operations in Santa Ana, in intelligence operations, and through mobilizations. The government issued this decree and Hugo Rivero has been arrested.

The main achievement of this decree is that we managed to break the link between Bolivian and Colombian drug trafficking gangs. I believe this is the main achievement. We had said that Bolivia should not become a drug distributor. I think that by obtaining the voluntary surrender of these traffickers we have taken a firm step toward breaking the link between Bolivian and Colombian trafficking gangs. I am convinced that the voluntary surrender of traffickers is very serious because they want to return to a normal life within the law. [end recording]

Beni Department Protests Over Antidrug Actions

PY1809220191 La Paz EL DIARIO in Spanish 12 Sep 91 p 20

[Text] The Beni Department has asked the government to guarantee the rights of the civilian population in light of the "occupation" of townships by Unopar [Rural Area Police Patrol Unit] personnel.

A 24-hour strike has been declared in principle if the 27 light planes seized by the Special Antinarcotics Forces [FELCN] are not released by 16 September.

Beni Department Deputy Walter Guiteras said that regional organizations have decided to ask the government to guarantee the civilian population who have been affected by the "occupation" by antinarcotics troops.

Guiteras said: "Although drug trafficking has taken root in various districts, especially in Cochabamba, Santa Cruz, and Beni Departments, the most intensive and violent interdiction actions are being conducted in Beni Department. We are concerned because Umopar troops have "occupied" by force some townships in Beni Department. This shows a lack of respect and seeks to intimidate the civilian population who have nothing to do with drug trafficking."

He said that the police forces have committed a number of abuses against people "who have nothing to do with this crime." He added that this type of action is only perpetrated in Beni Department. Consequently, Beni civic organizations propose a reorganization of the struggle against drug trafficking, offering guarantees for the civilian population nationwide. He said that Beni Department agrees with the antidrug struggle, but not through the methods currently being employed because they infringe the people's rights.

Guiteras said that the seizure of over 30 light aircraft by the FELCN was being closely followed in Beni Department.

He stated that the courts could not prove whether these aircraft were used to transport drugs, yet despite this their release has not been ordered. This is causing serious harm to their owners and to Beni residents.

He said that the aircraft are instrumental for regional life because they are used to transport people and cargo.

He admitted that at least six small airplanes have been returned to their owners, but another 27 are still being held.

Guiteras said that Beni residents have set 16 September as the deadline for the authorities to release the airplanes. If the deadline is not respected, a 24-hour strike will be declared throughout the department.

If their demands are not met the residents will march to La Paz to submit their "proper requirements."

Upcoming International Coffee Assembly Viewed

PY1909004991 La Paz Television Boliviana Network in Spanish 1700 GMT 18 Sep 91

[Text] Bolivia will seek the renewal and continuation of the international coffee agreement during the 57th assembly of the International Coffee Organization that will be held from 23 to 27 September.

Members of the International Coffee Organization will discuss the reinstatement of the coffee export quota system and new policies for this non-traditional export. Commerce Under Secretary Jorge Paz spoke to us on this subject.

[Begin recording] We will discuss two important subjects for Bolivia: first, the renewal and perpetuation of the international coffee agreement which is desirable for Bolivia and second, although this is not in the official agenda, there is strong pressure to discuss the reinstatement of the coffee export quota system.

As you know, two years ago under the export quota system, the international price of a bag of coffee was $134. Quotas then dropped and the price dropped to $62 per bag. This greatly harmed national production, especially now that our production area has increased and our production levels have improved thanks to several programs. We must also consider that coffee is a high-quality alternative crop.

Bolivia was exporting 150,000 bags of coffee per year, but now we need a quota of 180,000 bags. We are talking with the delegations of friendly countries, including the United States, seeking support for our position at the International Coffee Organization in London. [end recording]

Central Bank Chairman, Directors Resign

PY1909031691 La Paz La Red Panamericana in Spanish 0000 GMT 19 Sep 91

[Summary] Central Bank chairman Raul Boada and the members of the bank executive board submitted their resignation to President Jaime Paz Zamora on 18 September. Boada said that after a two-year term in office, he and the bank directors resigned in order to comply with the terms of the law on state administration and control. Boada and the bank directors will remain in their posts until their replacements are designated.

Brazil

States Increase Gas Rationing Measures

PY1809034491 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 17 Sep 91

[Excerpts] Several states have tightened gas rationing measures due to the oil workers' strike. In Bahia, the Landulfo Alves refinery stopped pumping gas to distribution companies at noon, after running out of stock. Production was discontinued, and only security personnel are working. According to Petrobras [Brazilian Petroleum Corporation], 80 percent of the workers have joined the strike.

All natural gas reserves remain blocked. A ship carrying 40 tons of gas was anchored at the port five days ago but is unable to unload its cargo. The Madre de Deus gas distribution center has enough gas for two weeks, but no gas is being pumped because there are no workers.

Gas distribution has been rationed since 14 October. The enterprises that provide almost 100,000 bottles of gas per day have low stock.

The three gas distribution companies operating in Bahia stressed that they received 50 metric tons of gas today, the last of the Petrobras stock. This volume is less than 50 percent of one day's consumption. The tanks of the enterprise that supply more than 60 percent of the gas in Bahia are practically empty. Gas meters clearly reflect the situation. Most of the tanks are empty. Only four of them have a minimal level of gas. [passage omitted]

If the gas supply does not return to normal tomorrow, rural districts in Bahia will be affected. For several days, long lines of trucks from dozens of cities have waited for gas.

Control measures were tightened at the Friendship Bridge joining Foz do Iguacu, in Parana, and Paraguayan territory. In Foz do Iguacu, some gas distribution companies have critically low levels of gas. As a result, federal revenue department inspectors allow only one bottle per person crossing the border into Paraguay.

Gas shortages were also reported in Rio Grande do Sul. In Caxias do Sul, which supplies 30 towns in the state's mountainous region, shops have placed ads saying that there is no more natural gas. The last 45-kg bottles are being reserved for hospitals. Some companies have even laid off workers.

In Minas Gerais, where oil workers did not join the strike, the gas supply has been affected because distribution company workers went on strike today. The few trucks that could be loaded with gas bottles had to be escorted by police. Retail sales were restricted to two bottles per person.

In Sao Paulo, in addition to the strike by oil workers and workers in charge of bottling, gas delivery trucks were halted. Whoever needs a bottle must wait in line at gas shops.

Gas production resumed in Sao Paulo but only at 30 percent of normal levels. There was even a line of trucks at the gas distribution center that produces all the gas that supplies greater Sao Paulo. The low number of workers permitted the loading of only one truck at a time. There was another strike that hindered the distribution of gas. Most gas distribution company workers went on strike, hindering bottling. Even if gas production were to return to its normal level, supplying gas would remain difficult because of striking truck drivers. The 130 trucks of Sao Paulo's largest gas distribution company—all of them empty—stayed in the garage all day. Without the trucks, it is impossible to distribute gas.

The victims of this situation are the consumers, who have to go to gas shops, making a physical effort and wasting time waiting in line.[passage omitted]

The situation of almost 5,000 industries that use gas as fuel is even worse. On orders from the National Fuel Department, gas supplies will remain suspended while the strike continues.

Petrobras president Ernesto Teixeira said in Brasilia that there are problems affecting the provision of natural gas. He stressed, however, that the supply of fuel was not affected by the oil workers' strike.

[Begin Teixeira recording] (?Fuel) supply is normal; our problem now is liquefied petroleum gas. Yet, supply to Sao Paulo began after Alemoa resumed pumping gas. We still have difficulties in Salvador because of the problems caused by the occupation of our Madre de Deus facility. We hope this situation will be resolved today or, at the latest, early tomorrow, so the court order to supply gas to the population can be complied with. [end recording]

Probe Possible For Lack of Key Fuel Services

PY1809133891 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 18 Sep 91

[Text] The Federal Police may be asked to investigate who is responsible for not complying with a Labor Court order that establishes the minimum fuel and kitchen gas needs of the population.

Labor Court President Guimaraes Falcao ordered on 13 September that 400,000 barrels of oil should be refined daily and that oil refineries and maritime terminals should resume pumping oil. Only the Alimoa maritime terminal in Santos, Sao Paulo, was obeying the judicial order yesterday.

Collor Calls For Order in Alagoas State

PY1909020691 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 18 Sep 91

[Text] President Fernando Collor ordered the Alagoas State Government to enforce the law, no matter what the cost, and to put an end to violence in the state. This was reported by Alagoas Public Security Secretary Wilson Alfredo Perpetuo, who met with President Collor at Planalto Palace to ask for funds to re-equip the state police.

Perpetuo said the president stated that, in the eyes of the law, even officials' relatives should be treated like anyone else. Perpetuo also reported that permits to carry weapons were suspended throughout the state. After studying each case, permits will be granted to responsible people who prove to be mentally balanced and who have never been arrested.

Gros Announces Inflow of Foreign Resources

PY1709161091 Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 Sep 91 Section 3, p 3

[Text] Brasilia—Central Bank President Francisco Gros said yesterday that Brazil will receive this year $10

billion in foreign resources. This is the first time in 10 years that Brazil has obtained such an inflow.

Gros briefed the Chamber of Deputies on national reconstruction and said that $6.8 billion arrived in Brazil 3 September, of which $890 million was risk capital. Registration for another $2 billion was already requested.

The arrival of external funds is largely due to the decision by Brazilian companies (mainly public companies) to borrow money on the international market. This year, the money collected through the issuance of "commercial papers" [preceding two words in English] (promissory notes that are internationally accepted) reached $1.3 billion. The inflow for investments also include money from foreign companies which operate in Brazil and which have decided to reinvest their profits in the country.

New 'Modern Economy Bloc' Formed in Congress

PY1809182791 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 18 Sep 91

[Text] A group of congressmen has formed a bloc in Brasilia to defend economic freedom, and launched a manifesto. These congressmen belong to the PDS [Social Democratic Party] and PMDB [Brazilian Democratic Movement Party], among others, and they share the same opinion: Economic freedom is the only way to stop inflation and to resume growth. This is why they formed a bloc in Congress to defend the reduction of the role of the state in the economy.

[Begin recording] [Screen caption identifies PDS Deputy Roberto Campos] It has been the solution all over the world. Countries that have controlled inflation are those with a market economy. [end recording]

The Modern Economy Bloc, as it is being called in Congress, drafted this document which contains the three essential items which are considered as ideal for the economic freedom these congressmen defend: First, reduce the government's role in the Brazilian economy; second, lift the price freeze; and third, end those monopolies that benefit certain economic sectors.

If the government wants to implement a reform within this framework, it will have the support of 120 congressmen who have already signed this commitment.

[Begin recording] [Screen caption identifies PDS Deputy Delfim Neto] There is no need to reach an agreement with anyone; there is no need to distribute candy around; there is no need to say that [word indistinct]. He will have our votes. If he goes against us he will not have our approval, and then it will be useless to hand out candy. [end recording]

* Cuts Threaten Electron Accelerator Project

91SM0461B Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Jul 91 p 10

[Article by Jose Francisco Pacola: "Electron Accelerator Project Threatened"]

[Text] Campinas—The project to build the first circular electron accelerator in the Southern Hemisphere, under development in the National Synchrotron Light Laboratory (LNLS) in Campinas, is in serious risk of never being concluded. The equipment should go into operation at the end of 1993 and should place Brazil in a competitive position internationally in new materials research, but the project—which won the approval of six foreign specialists yesterday—is experiencing delays that could jeopardize its future.

The circular electron accelerator—a series of components interlinked in a 27-meter diameter circle—is used in the study of materials and is considered essential in opening new prospects for the country. The apparatus would permit the development of new medicines, catalysts for the petrochemical industry, and new synthetic materials.

Budget Cut

Under development since 1987, the project is budgeted at $70 million (23.1 billion cruzeiros), financed by the National Council of Scientific and Technological Development (CNPq). Of this total, $20 million (6.6 billion cruzeiros) has already been applied, but successive budget cuts have troubled physicist Cylon Goncalves da Silva, director of the laboratory.

The National Congress approved a budget allocation of 950 million cruzeiros to the project for this year. By May, only 30 percent of this (or about 300 million cruzeiros) had been released by the Federal Government. "Our assessment is that we would need about $9 million (2.9 billion cruzeiros) this year," Cylon Silva told the Agencia Estado news service.

According to the LNLS director, the budget problem could cause a delay of 10 to 15 years in the conclusion of the project. The greater risk, however, is that the circular electron accelerator will never be completed. "Another critical problem is the Law of Budget Directives of the federal government, which prohibits public expenditures on construction works in 1992," he added. The prohibition would prevent the construction of the laboratory headquarters on 380,000 square meters of land located in the Center for High Technology Industries (Ciatec) in Campinas (100 km from Sao Paulo) and donated by the state government last year.

Competition

The laboratory is also running the risk of losing its best professionals, including the 100 technicians (physicists, engineers, and systems analysts) who are working on the

project, to other countries or to private enterprise. "The salary differential is to blame," Cylon explained.

Certainly no threat is posed by the technological and scientific level attained by the Brazilian technicians in the program. "The quality of the components developed here is first class," attested Helmut Wiedemann, leader of the circular electron acceleration program of the Stanford Synchrotron Radiation Laboratory, connected with Stanford University, in the United States. Together with five other specialists, Wiedemann visited the National Synchrotron Light Laboratory yesterday to evaluate the experimental assembly of the component that, duplicated 12 times, will form the complete accelerator.

Like Wiedemann, Lee Teng, leader of the Physics of Advanced Photon Source Accelerators group, connected with the Argonne National Laboratories, in the United States, approved the prototype. "I was here two years ago and today I can see the great progress that has been achieved," he said. "The pace is impressive, considering that Brazil had no infrastructure whatever for a program of this kind." The apparatus which Brazil is building is a circular electron accelerator with 1.15 billion electron-volts of energy, to generate the synchrotron radiation (or synchrotron light) that covers the entire spectrum of visible and invisible light.

* Manaus Free Zone Receives Economic Incentives

91SM0461E Sao Paulo O ESTADO DE SAO PAULO in Portuguese (Economic Section) 9 Aug 91 p 1

[Article by Leda Beck and Idelzuita Araujo, with Aldo Renato Soares: "Free Zone Has New Incentives"]

[Text] Manaus—The Administrative Council of the Superintendency of the Free Zone of Manaus (Suframa) yesterday approved and announced a group of 17 measures that will do away with the system of import quotas after January 1992 and will reduce the import aliquot by 88 percent on all products manufactured in the region. With the new measures, the businessmen will have broad freedom and can further increase their sales throughout the country. The limit on what any individual may purchase in the region was raised from $1,200 to $2,000. In the auditorium packed with businessmen and politicians who attended the Council Meeting, there was applause for each measure as it was announced and Dahilton Cabral, president of the State Federation of Industries, hailed Egberto Baptista, secretary of regional development, as "the hero of the Amazon Region."

Starting in January 1992, the businessmen may import products freely, except for those protected by law, such as items of computer ware, and they will pay only 12 percent of the import tax paid by importers in other regions. In the next few days, the executive should also send a draft bill to the congress proposing the sale of products imported by Manaus throughout the national territory. Currently they may be shipped only as baggage. If the bill is approved, imported products could be sold freely, but buyers in other states would pay duties as if they were importing from the country of origin.

With the new measures, businessmen and politicians in the region have won the battle against Zelia Cardoso de Mello, former minister of the economy, who did not agree with the proposals presented by Secretary Egberto Baptista. "Now the industrial district of Manaus is rid of restraints and ill-willed bureaucratic offices," Baptista rejoiced. In Sao Paulo, his businessman-brother Gilberto Miranda Batista was also thrilled and Gilberto Mestrinho, governor of Amazonas, declared that "in a year the Free Zone will be the country's greatest corridor for imports."

In the next few days, another presidential decree may create an area designated by the Suframo exclusively for the importation, warehousing, and wholesaling of foreign merchandise in the Free Zone or in other regions of the country. "This will make life easier for the small businessmen, who will not have to make their purchases abroad," concluded Manuel Rodrigues, Suframa's assistant superintendent of planning. In addition, the trading post will offer a variety of imported products that are not available anywhere in the country. A wholesaler from Limeira will be able to buy everything from tennis balls to video cassettes in Manaus," Rodrigues explained. The purchaser will pay the normal import duties when the product leaves the area.

In the first five months of this year the Free Zone made the worst showing since it was created 24 years go. The receipts of the 312 companies declined by 44.5 percent.

* PMDB Defines 1992 Campaign Strategies

91SM0461A Sao Paulo GAZETA MERCANTIL in Portuguese 10-12 Aug 91 p 8

[Article by Claudia Izique: "PMDB Defines Strategy for 1991 Elections"]

[Text] Sao Paulo—The Sao Paulo PMDB [[Brazilian Democratic Movement Party] has defined some of the strategies for the party's campaign in the 1992 municipal elections. The [PMDB] state executive and Governor Antonio Fleury Filho have already agreed that the state government and the PMDB congressmen will give every support to the party candidates, even those who have no chance of winning.

From now on, the PMDB will seek greater coordination with the Sao Paulo executive to broaden its participation in governmental actions. The idea is to avoid "disastrous decisions" by some government secretariats in the municipios which the party would like to govern starting in 1992.

It has also been decided that the coalitions will be formed, preferentially, only in the second round, duplicating the pattern of alliances--PTB [Brazilian Labor

Party], PFL [Liberal Front Party] and PST [Social Workers Party] of the government in the Legislative Assembly.

The campaign will not commence until after the municipal conventions next March. In conjunction with the campaign, the PMDB will "take to the streets" with its program for national development, which will begin to be discussed this Monday and which will be the basis for the 1993 presidential campaign, according to Deputy Arnaldo Jardim, government leader in the Assembly. "The mayoral campaign will be conducted under the banner of national development," he said.

The party will concentrate its efforts on the mayoral races in Sao Paulo, Campinas, Santos, and the municipios of the ABC [Santo Andre, Sao Bernardo do Campo, and Sao Caetano do Sul), which, except for Sao Caetano (PTB), are governed by the PT [Workers Party], "the great adversary," according to Deputy Joao Leiva, second vice president of the state PMDB.

The PMDB candidate for mayor of Sao Paulo will not be decided until next year, to avoid "exposing him to erosion," Leiva explained. The PMDB has already governed Sao Paulo, in the administration of Mario Covas (now with the PSDB [Brazilian Social Democracy Party]), who was elected indirectly. Leiva predicts that it will be difficult to win the race in Sao Paulo in direct elections. "Historically, we have lost in the capital, where the electorate either votes conservatively or casts a protest vote in reaction to the nation's problems," he analyzes. Hence a victory in Sao Paulo would be a "positive sign" for the 1994 presidential elections.

By March, according to Jardim, the PMDB would like to have completed a "municipio by municipio survey," by which it would assess the political picture and the real chances of the candidates for the party nomination. The analysis, he said, will determine eventual coalitions, as well as the names who will compete for nomination in the municipal conventions. The party recommends that the same attention be given to the preparation of the list of candidates for councilman.

* Soviet Aid in Metallic Titanium Project

91SM0461C Sao Paulo GAZETA MERCANTIL in Portuguese 10-12 Aug 91 p 12

[Article by Elizabeth Rosa: "USSR Technicians To Inspect Acesita"]

[Text] Belo Horizonte—The Itabira Special Steels Company (Acesita) will receive a visit from technicians of the Soviet firm Tiazh-Promexport, as the first step in initiating the lamination of metallic titanium, which exists in Brazil only in the form of plate.

Eden Jose de Rezende Dutra, Acosita director of research and development, reported that the technicians will make an inspection of the plant to determine the necessary adaptations to the equipment, and that the contract with the Soviets had already been delivered to the INPI (National Institute of Industrial Property.)

The titanium project began to be developed by the steel company, which holds a monopoly on the production of stainless steel sheet in Brazil, in conjunction with the Vale do Rio Doce Company (CVRD), which would produce the ingot for lamination. According to Dutra, however, the CVRD will only be ready sometime in the next five years and Acesita decided to enter the market earlier, since metallic titanium, which sells for about $25,000 per ton on the international market, is 10 times as valuable as the company's more refined product: stainless steel.

The company has already done some experimental lamination, in very small plates, based on studies conducted by the ITI (Industrial Technology Foundation) of Lorena (Sao Paulo). The lamination technology could be purchased from Tiazh-Promexport or the studies in Brazil could be expanded, with the participation of the Federal University of Minas Gerais (UFMG). Up to now, there have only been laboratory simulations, but Acesita expects to produce laminate on an industrial scale by the beginning of next year.

According to Breno Borges Ferreira, technical director of Acesita, the estimated marketing figure for the first year is 120 tons of laminated metallic titanium, which could go up to 1,200 tons in the second year and 2,400 tons by the fifth year. He explained that titanium is a light metal, 60 percent of the weight of steel and 1.7 times the weight of aluminum, which makes it useful to the Aeronautics Ministry.

The metal also has a fusion temperature close to that of steel and its coefficient of expansion is half that of stainless steel and a third of that of aluminum. Borges Ferreira said that, in terms of resistance to corrosion, titanium is exceeded only by platinum, gold, and silver. Such resistance is necessary in the chemical industry, for submarines, petroleum platforms, and dental prostheses.

The company estimates that the project will require an investment of $300,000. Titanium is obtained from anatase and, according to Rezende Dutra, studies indicate that Brazil will be a major producer of the raw material in the future.

Several Bilateral Accords Signed With Uruguay

PY1709133291 Montevideo Radio Carve in Spanish 0000 GMT 17 Sep 91

[By special correspondent Jorge Vinola in Brasilia]

[Text] The Uruguayan and Brazilian Governments have finally signed various economic, cultural, data bank exchange, and foreign trade agreements. They also signed a border agreement for the creation of new integrated customs offices, like at the Artigas-Quarai border point; a project for the development of the Laguna Merin basin; and the construction of dams for

irrigation purpose in Peso Talavera. They also agreed to conduct joint actions on the environment.

Commenting on the objectives of the agreements signed by representatives of the two countries, Uruguayan Foreign Minister Hector Gros Espiell told Carve in Brasilia: [recorded passage indistinct]

Gross Espiell said that Brazil will sign the Mercosur [Common Market of the South] treaty in approximately two weeks. He also agreed to the proposed first meeting of the presidents of the Mercosur member countries, Argentina, Brazil, Paraguay, and Uruguay, in Punta del Este, Uruguay, in December or January.

* Italy Rethinks Trade Policy With Latin America

91SM0461D Sao Paulo GAZETA MERCANTIL in Portuguese 27- 29 Jul 91 p 2

[Article by Cynthia Malta: "Italian Government Rethinks Strategy for Latin America After Mercosul"

[Text] Sao Paulo—The Government of Italy, through the Italian Institute for Foreign Trade (ICE), is rethinking its trade policy with Latin America. The creation of a common market among Brazil, Argentina, Paraguay, and Uruguay is the primary reason for this new strategy, the initial objective of which is to encourage the formation of "joint ventures" between Italians and Brazilians.

"We are no longer looking just at Brazil or Argentina as isolated countries, but as a region that a few years from now, with Paraguay, Uruguay, and Chile, will have at least 2 million consumers," said ICE general director Ferruccio Sarti, who was in Sao Paulo last Friday. Sarti met for two days last week with Argentine government officials in Buenos Aires and, although Sao Paulo was not on his travel schedule, he held some meetings at the Bandeirantes Palace, the Federation of Trade, and the Federation of Industries of Sao Paulo State.

Both in Buenos Aires and in the Sao Paulo capital, he heard complaints about the scarcity of Italian credit to finance imports, especially of machinery, from his country. "Europe is always thinking about the issue of the foreign debt, the $120 billion owed by Brazil," Sarti explained, adding, "but there is more to Latin American than this."

The $1.1-billion credit package that the Italian Government pledged to grant in 1989 to finance machinery imports, technical cooperation, and projects in the Brazilian public sector is a case in point. To date, the funds have not been forthcoming, because Brazil has not reached a new foreign debt agreement during this period. "But we cannot go on waiting for this. A few years from now the Mercosul [Latin American Common Market] will be functioning," Sarti said.

"I myself am surprised to see the new laws, the new liberalized policies in Latin America and especially in Brazil," declared the ICE director, who lived in Sao Paulo from 1967 to 1971 and who speaks Portuguese. The ICE is linked to the Italian Foreign Trade Ministry and its primary function is to promote exports and industrial cooperation.

Until the foreign debt issue is settled or, more precisely, until Brazil reaches an agreement with the Club of Rome, Sarti assured that the "credit problem will be solved by means of 'joint ventures,' because the Italian partner will supply the machinery and the 'know-how.'" However, the idea does not appear to be fully accepted by some Brazilian businessmen. Emanuel Mateus de Castro, the proprietor of Rocha, which operates in the marble and granite sector, lunched with Sarti on Friday. He spoke succinctly: "We are not interested in mixed companies because, at the first increase in capital, the Brazilian partner will be out."

According to Castro, "Brazil has the raw material and the manpower and Italy has the machinery and the technology that we want to import." The businessman could "lose his independence, but he could gain in increased production and sales," Sarti said. He noted that the system of joint ventures would give the Brazilians access to the European Economic Community (EEC).

Given Europe's unawareness of the economic changes in Latin America and a certain lack of preparedness by most of the Latin American business sector to operate under the new conditions, Sarti recommended a broadening of direct contacts between companies as the primary strategy for bringing Italy and Latin America, particularly Brazil and Argentina, closer together. This could be done by conducting "workshops" among businessmen.

The idea was applauded by Luiz Gonzaga Belluzzo, secretary of international affairs of the government of Sao Paulo, who spoke with Sarti on Friday evening. "We are having the most intensive contact with Italy since the beginning of the (Fleury) administration and there are already plans to hold 'workshops' in Italy by the end of the year, with Brazilian businessmen taking part," Belluzzo said.

A program to finance feasibility studies for mixed companies, with a limit of $100,000 for each project, could be implemented "immediately," Sarti suggested. Belluzzo supported the idea and observed: "This is the dash of salt that was lacking." The secretary believes that the agroindustrial, marble and granite, tomato derivatives, and electronics sectors are in the best position to stimulate business between the two countries.

Chile

Aylwin Calls On Chileans To Overcome Division

PY1909031291 Santiago Television Nacional de Chile Network in Spanish 0030 GMT 19 Sep 91

[Excerpt] President Patricio Aylwin today called on all Chileans to overcome the divisions of the past. He made

this comment after attending the traditional Te Deum in the Metropolitan Cathedral.

[Begin recording] [Aylwin] We are going through a stage in which our country is overcoming the divisions of the past and is making an effort to build a better country with everyone's help. I call on all my countrymen to persevere in this spirit, to give thanks for what we have, to become aware of the problems we must encounter, to maintain a spirit of solidarity in the face of these problems, and to make an effort to overcome problems, defeat poverty, create more peaceful coexistence, and achieve greater progress, well-being, and justice among all Chileans.

[Unidentified reporter] What did you think of Monsignor Oviedo's homily?

[Aylwin] His words were very meaningful because they interpreted the profound wish of the Chilean people. The homily's message—a country for everyone—represents a concept that I believe we should all share. [end recording]

Ministers, congressmen, and political leaders reacted positively to the call by Santiago Archbishop Msgr. Oviedo to overcome social differences and support national reconciliation. The positive reactions were noted at the conclusion of the Te Deum when there were demonstrations against Army Commander General Augusto Pinochet.

Several hundred demonstrators, most of them government supporters, gathered in front of the cathedral. They received the ministers, military leaders, and government and opposition congressional leaders in different ways. Gen. Pinochet encountered a demonstration against him. According to protocol, President Aylwin was the last to enter the church. After the Te Deum, Aylwin was the first to leave. Everything was orderly until Gen. Pinochet left the cathedral. Gen. Pinochet did not use the front entrance, but a side door. Pinochet then unexpectedly appeared in an area where there was a large crowd. Pinochet was booed. He also turned his head toward an individual standing next to him who apparently insulted him.

After this incident officials emphasized the significance of Msgr. Oviedo's homily in the Te Deum. [passage omitted]

Lautaro Group Responsible for Carabinero Shooting

PY1909034091 Madrid EFE in Spanish 0128 GMT 19 Sep 91

[Text] Santiago, 18 Sep (EFE)—The extremist Lautaro Rebel Forces today claimed responsibility for the shooting of a Carabinero who was seriously wounded in western Santiago yesterday. In a phone call to a local news agency, an individual who identified himself as the spokesman for the ultra-leftist group claimed responsibility for the attack.

The incident took place in Quinta Normal when a Carabineros patrol came to investigate a hold-up in a bakery that was reported over the phone. While getting out of the police car, Carabinero Luis Alberto Burgos was hit several times by bullets fired by unidentified individuals who immediately escaped.

The same day, the Lautaro group detonated a small bomb in a Mormon Church in Quinta Normal; they left leaflets saying that they are joining Chile's Independence Day celebration, which marks the country's 181st year of independence.

With these actions, the Lautaro group has reappeared several months after many of its leaders were arrested during a police operation in a southern city.

The Lautaro group, which fought against the military regime, continued the armed struggle after the advent to power of the democratic government of Patricio Aylwin, whom they regard as someone who has continued the regime's policy. Lautaro group members strive for a society "for happiness," with confusing doctrines in which anarchistic, hedonistic, and Marxist ideas are mixed.

Colombia

Further on Suspension of Peace Talks in Caracas

PA1909012291 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1200 GMT 18 Sep 91

[Report by Francisco Tulande in Caracas]

[Text] The cease-fire topic has been suspended for the time being within the negotiations being conducted in the Venezuelan capital. The announcement was issued by government spokesmen even though the guerrilla representatives insist that the two pending proposals should be discussed. One of the proposals was presented by the government: it calls for a bilateral cease-fire, 60 gathering points for the guerrilla groups, and political mobility for the guerrilla representatives. The subversive groups' proposal calls for combat-free zones, with adjacent neutral zones, in areas whose size represents one third of Colombian territory.

ELN [Army of National Liberation] representative Francisco Galan said the organization has documents proving that the gathering points proposed by the government for the guerrillas actually represent a trap. Galan said: It is a trap because the idea is to establish a military cordon, as there are paramilitary settlements in 90 percent of the regions assigned to us.

FARC [Revolutionary Armed Forces of Colombia] representative Alfonso Cano said that the guerrilla groups have political and military influence in more than 600 municipalities. He said that only 200 are being mentioned, but the formula is flexible nevertheless. You may recall that the guerrilla groups accused the government of hindering the peace process and the Caracas dialogue.

A recess will probably be decreed today to include the weekend and part of next week to assess the situation. The government representatives will travel to Santa Fe de Bogota on 20 September to talk with the Public Order Advisory Commission members. You may recall that the commission is comprised of Horacio Serpa Uribe, Saul Arboleda, Carlos Rodado Noriega, Otty Partino, Gilberto Vieira, and Juan Gabriel Uribe.

It was recently learned that some commission members have already contacted members of the Simon Bolivar Guerrilla Coordinating Board [CGSB]. The commission members will arrive on 25 September to talk with the guerrilla representatives. The government-guerrilla dialogue will eventually be renewed around mid-week and will last approximately 15 days. We do not know what specific topics will be discussed but it is taken for granted that they will discuss the cease-fire. We do not rule out the possibility that they will analyze other issues.

We asked Humberto Vergara, member of the National Peace Advisory Commission, whether discussion of the cease-fire has been suspended.

[Begin recording] [Vergara] We reached a point where the CGSB was making farfetched demands that do not help in reaching a solution. Therefore, the cease-fire topic has been temporarily suspended until it can be properly discussed. We hope the CGSB will reassess the issue and present a more reasonable and realistic proposal.

[Tulande] Does the CGSB know about this position? What was its reaction?

[Vergara] A communique was presented in a formal session and a witness has confirmed it. The CGSB knows about it and the representatives made some comments, but there has been no official reply indicating that they have reconsidered their proposal.

[Tulande] There is concern as to whether the guerrillas are going to modify the terms of their proposal, because the truth is that the government refuses to consider and analyze it. The dialogue has become what Deputy Government Minister Hector Rivera Cerrato described as a dialogue among deaf people. The government said: No, we will not analyze the proposal because it cannot be analyzed simply because it is exaggerated and detrimental to our national interests. [end recording]

President Comments on Suspension

PA1809151391 Santa Fe de Bogota Inravision Television Cadena 1 Spanish 1730 GMT 17 Sep 91

[Text] President Gaviria and the ministers of the economic team are analyzing the future of the security of society with the implementation of the new Constitution. Orlando Gomez has the report.

[Begin recording] [Gomez] Mr. President, why does the government consider the rebels' proposal in Caracas unacceptable?

[Gaviria] Of course the rebels' proposal in Caracas is unacceptable, and it is very unfortunate in view of the serious and coherent proposal the government had presented. The government proposal included 60 places where the fronts of the Simon Bolivar National Guerrilla Coordinating Board's [CNGSB] could eventually gather. They have presented a proposal that includes over 200 municipalities, which implies the removal of the military forces from those municipalities. We believe this, in some way, is an important setback in comparison to the last cease-fire proposal from the CNGSB.

[Gomez] Mr. President, on the same topic of peace, what has the government planned regarding the paramilitary groups after the defense minister announced a campaign to disarm the majority of Colombians?

[Gaviria] The government will indeed have to reinforce all its efforts to dismantle the paramilitary groups. We will, of course, have to work on what the defense minister has stressed, disarming Colombians because armed peace is very dangerous, peace with so many armed people is constantly in jeopardy. We will also have to work much more effectively regarding justice. [end recording]

More on President's Comments

PA1809151491 Santa Fe de Bogota Inravision Television Cadena 2 in Spanish 0000 GMT 18 Sep 91

[Text] The peace talks have bogged down again. On 17 September, the government and the representatives of the Simon Bolivar National Guerrilla Coordinating Board [CNGSB] temporarily suspended the talks that were taking place in Caracas. The government spokesmen described as unacceptable the guerrillas' counterproposal for a cease-fire, and President Cesar Gaviria Trujillo deplored the attitude of the CNGSB members. The CNGSB counterproposal calls for 96 combat-free zones that would cover, at least, 200 municipalities.

[Begin Gaviria recording] It is deplorable that in the face of such a serious and coherent proposal as presented by the government suggesting 60 sites where the CNGSB fronts could eventually gather, we are given a proposal that covers over 200 municipalities, that entails the withdrawal of the military forces from those municipalities, and that we feel represents a serious setback. [end recording]

Meanwhile, Peace Adviser Jesus Bejarano announced in Caracas a seven-point document clarifying the government's stand. Bejarano told the guerrilla delegates that their proposal is unacceptable, as they want the military forces to withdraw from one-third of the national territory. According to Bejarano, the proposal is audacious, unfeasible, and unrealistic.

[Begin Bejarano recording] The guerrillas want to stay in 250 municipalities but with the withdrawal of the public forces, with the withdrawal of the military forces; and

that definitely separates us even more than we were on 11 June, in addition to making it impossible for us even to discuss the issue. [end recording]

The basic differences between the two proposals are: The guerrillas want 96 combat-free zones, the government proposes 60. The guerrillas believe that each zone should include at least two municipalities, while the government refers to independent zones in Antioquia, Arauca, Bolivar, Boyaca, Caqueta, Casanares, Cauca, Cesar, Cordoba, Cundinamarca, Choco, Guaviare, Huila, Meta, Narino, Norte de Santander, Santander, Sucre, and Tolima.

Due to this, the dialogue in Caracas is in limbo. Therefore, it is expected there will not be a recess this weekend and the proposals will be discussed. [sentence as heard]

Ecuador

Foreign Minister on Border Solution Impediments

PA1809153391 Quito Cadena Ecuador Radio in Spanish 2300 GMT 17 Sep 91

[Text] Foreign Affairs Minister Diego Cordovez said that the agreement signed with Peru has a specific purpose: to overcome tensions within a specific area. Thus, Ecuador cannot consider any issues that were included in this agreement, [words indistinct] and much less begin the process of defining borders under pressure, and in accordance with a document whose validity it does not recognize.

The foreign minister pointed out the thoughtful spirit of the Governments of Argentina, Brazil, Chile, and the United States, who contributed their efforts to the Governments of Ecuador and Peru, to help in overcoming the tension in an area between [name indistinct] and Yagshun.

He expressed the hope that the statement issued by the protocol guarantor countries would help the two nations to move forward the process agreed to by the two countries, to prevent military confrontations in the area, and to create conditions that will help ease the tension.

Paraguay

Government Recognizes Lithuania, Estonia, Latvia

PY1809174091 Asuncion RPC Television Network in Spanish 1615 GMT 18 Sep 91

[Text] Before saying goodbye we are going to read this press communique issued by the Foreign Ministry.

The Foreign Ministry wishes to make known that the Government of the Republic of Paraguay recognizes the independence of the Republics of Lithuania, Estonia, and Latvia.

This recognition is based on the principles of self-determination of the peoples and the legal equality of nations that are contained in the national Constitution and inserted within the framework of the rules and practices of international law.

Asuncion, 18 September 1991.

French Official Arrives, Meets Rodriguez

PY1809131891 Asuncion HOY in Spanish 18 Sep 91 p 10

[Excerpt] Paraguay's foreign debt, the possible investment of French capital, in the country and other topics of interest between Paraguay and France were the points evaluated on 17 September by President Rodriguez and French Minister Delegate for Foreign Affairs Alain Vivien.

The high-ranking French official arrived in Asuncion on the afternoon of 17 September and he immediately went to Government House, where the chief of state granted him a special audience. Foreign Minister Alexis Frutos Vaesken and French Ambassador to Paraguay Robert Rigouzzo participated in the meeting.

At the end of the meeting, Rodriguez expressed his pleasure regarding the meeting with the special French envoy, an event that will help put Paraguayan-French relations, which had become cool in the recent past, on their proper course once again; thus in the future the development of relations will once again have the importance that they always should have had.

The president stated that Vivien expressed a willingness to deal with our country's foreign debt when an economic negotiating delegation visits France at the end of the year.

Vivien lauded the democratization task the government is carrying out, and this is why Paraguay was selected as his last important visit before he travels to the United Nations.

The high-ranking French official will remain in our country until 19 September, when he is scheduled to depart at 1700. [passage omitted]

New Head of Agrarian Reform Institute Sworn In

PY1709154091 Asuncion ULTIMA HORA in Spanish 16 Sep 91 p 13

[Summary] Cancio Urbieta yesterday was sworn in as head of the Agrarian Reform Institute. He replaces Basilio Nikiphoroff whose resignation was accepted by the government.